



Annual Report 2021

Dynamic Performance Sustainable Operations





Custodian of the Two Holy Mosques
King Salman bin Abdulaziz Al Saud



His Royal Highness Prince
Mohammed bin Salman bin Abdulaziz Al Saud
Crown Prince, Deputy Prime Minister and
Minister of Defense

Financial Highlights

Net Income

SAR million

1,686.5 

2021: 1,686.5

2020: 1,348.5

Total Operation Income

SAR million

4,584 

2021: 4,584

2020: 4,262

Total Operating Expenses

SAR million

2,704 

2021: 2,704

2020: 2,760

Total Assets

SAR

110,854 

2021: 110,853

2020: 95,754

Income from Investing and Financing Assets, Net

SAR million

3,489.5 

2021: 3,489.5

2020: 3,292.6

Customers' Deposits

SAR million

81,110 

2021: 81,110

2020: 71,553

Total Comprehensive Income

SAR

1,230.5 

2021: 1,230.5

2020: 1,678

Financing, Net

SAR million

82,933 

2021: 82,933

2020: 70,115



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Operating Highlights

1.5

The Enjaz banking application was downloaded more than 1.5 million times

50%

Of all Enjaz transactions were carried out through digital channels

5,000

training opportunities

73

Accounts opened digitally

2,570

Employees completing the mandatory training certificate



About Us

Bank Albilad is a Saudi joint stock company, established by Royal Decree in 1425H (corresponding to 2004) with a corporate capital of SAR 7,500,000,000. It is headquartered in Riyadh, Kingdom of Saudi Arabia, and listed (ALBILAD) on Tadawul, the Saudi Stock Exchange. The Bank operates over 150 branches across the Kingdom of Saudi Arabia, as well 5 sales centres and over 168 Enjaz remittance centres. The Bank provides Shari'a-compliant services to personal, corporate and SME clients, supporting the latter through specialized centers in a number of cities throughout the Kingdom.

Our History

Established in 2004, Bank Albilad was the Kingdom's 11th bank. The original shareholders to invest in the Bank were 8 of the country's leading money exchangers: Mohammad & Abdullah AlSubaiei Exchange Co., Heirs of Abdulaziz bin Sulaiman AlMugairin, AlRajhi Trading Exchange Est., AlRajhi Trading Est., Mohammad Salih Sayrafi Est., Abdulmohsen AlOmari Est., Yousef Abdulwahab Numatallah Co. and Ali Hazaa' & Partners for Trading & Exchange. These shareholders contributed SAR 1.5 billion towards Bank Albilad, while the public also paid SAR 1.5 billion. The shareholders' combined experience has proven extremely beneficial for the Bank's progress. Since listing, it has expanded substantially through deposits, financing and remittances.

Bank Albilad owns Albilad Investment Company, which undertakes investment and asset management activities. It also owns Albilad Real Estate Company Ltd, which provides real estate-related services for customers.

Awards and honors in 2021



Awards and Honors in 2021

Bank Albilad is on the list of the best banks in the world 2021, according to a report by Forbes magazine

Bank Albilad is among the 100 most powerful companies in the Middle East for the year 2021, according to a Forbes report

Best Corporate Social Responsibility Initiative Award, Savings awareness Initiative, according to International Finance

Enjaz application the most innovative Remittance APP according to "International Finance"

Bank Albilad is among the most valuable brands in Saudi Arabia and the UAE during 2021 according to a "BrandZ" report

Excellence Award in Corporate Governance Index

Participate and activate Tamheer program



DYNAMIC PERFORMANCE

SUSTAINABLE OPERATIONS

Recognizing that the way we bank today is fast becoming history, we have a responsibility to not only adapt to change but to lead, collaborate, co-create and embrace. This is the essence of our 'adoptive' culture – and it is the only way to build and maintain a healthy operating environment.

Within the context of our future as a financial institution, Bank Albilad sets out to sustain growth by making sure that we have a clear understanding of what our customers need today and how their behaviors and needs may change tomorrow. We do this by adopting new technologies, innovating with partners across the fintech ecosystem, and preparing for a future built around Banking as a Service (BaaS).

The journey is constant – an evolution that takes place around us every day and in real-time. So as a financial institution we focus every day on sustainable and meaningful value creation in every aspect of our operations, with the employee-customer interface at the center. We view value creation through the lens of the Bank's ongoing priority of empowering and engaging our workforce, maximizing their contribution, and unlocking ideas.

It is through the unearthing of new ideas that our people can deliver excellence and, as an employer, we do that by developing human

competencies and by nurturing a collegiate culture. In 2021, the Bank launched a new employee engagement project specifically designed to foster teamwork among staff and across divisions.

This has increased employee cooperation, productivity, and morale during the challenges of the Covid-19 pandemic and set a benchmark for the operating model of today and tomorrow. It also dovetails with our strategic focus on advancing our digital transformation – a journey that allowed the Bank to improve operational efficiencies, supporting stronger performance throughout 2021. It is through this prism that we see our future ability to survive and thrive as a relevant financial institution that delivers on the needs of tomorrow's customers.

With a workforce equipped with 21st-century skills, we will achieve sustained growth in 2022 and beyond, by developing and deploying innovative new products and services that proffer sustainable growth in revenue, net income, assets, fees and customer

deposits. We will also continue to seek improvements in our service quality, strengthen our loyalty programs, focus on the affluent segment, and continue to invest in the digital customer journey.

Combined with a vigorous commitment to environmental, social, and governance (ESG) principles, the Bank will deliver meaningful, relevant, and sustainable value to all of its stakeholders: our loyal customers, our hard working employees, our shareholders, and the communities where we operate. The Bank enthusiastically adopts best-practice in how we interact with the natural world and in our utilization of natural resources. We are also deeply committed to operating under strict adherence to every regulatory requirement and work enthusiastically with regulators and policymakers whenever necessary.

This is Bank Albilad's promise to all its stakeholders: a blueprint for building sustainable future for all.



January

Opening

1st Digital
Branch - Riyadh
Front

Banking Agent
Agreement with SMSA
Express and opened 2
Agent Banking
Centers

Cooperation agreement
with "Monsha'at" for
innovative financing
programs for SMEs

February

Housing

Savings
Initiative

Home Restoration
Initiative



April

Completion of issuing
Tier 2 Sukuk
(SAR 3 billion)

Cooperation agreement
with King Khalid Uni.
To finance students

June

Murabaha

deal of SAR 2billion with
National Housing Co.

July

Top Tadawul - listed
growth company
during past 10 years by
Argaam

Cooperation agreement
with SDB to provide
financial - savings -
based solutions

Best Corporate Social
Responsibility
Initiative Award -
Saving Awareness
Program

Best Digital Bank &
Enjaz App Award,
Most Innovative New
Money Transfer App

September

Agreements with Al - Jouf
Uni to provide innovative
and easy financial
services for students

Agreement with Wafi to
facilitate the
financing of off - plan
projects and buyers

October

Platinum Zone
Saudization by
ministry of HR

December

New
Share capital
Increase
to SAR 10 billion
announced



Albilad App



Enjaz App



IR App





STRATEGIC REVIEW

New technologies and sustainable solutions have paved the way for Bank Albilad's enhanced products and services.



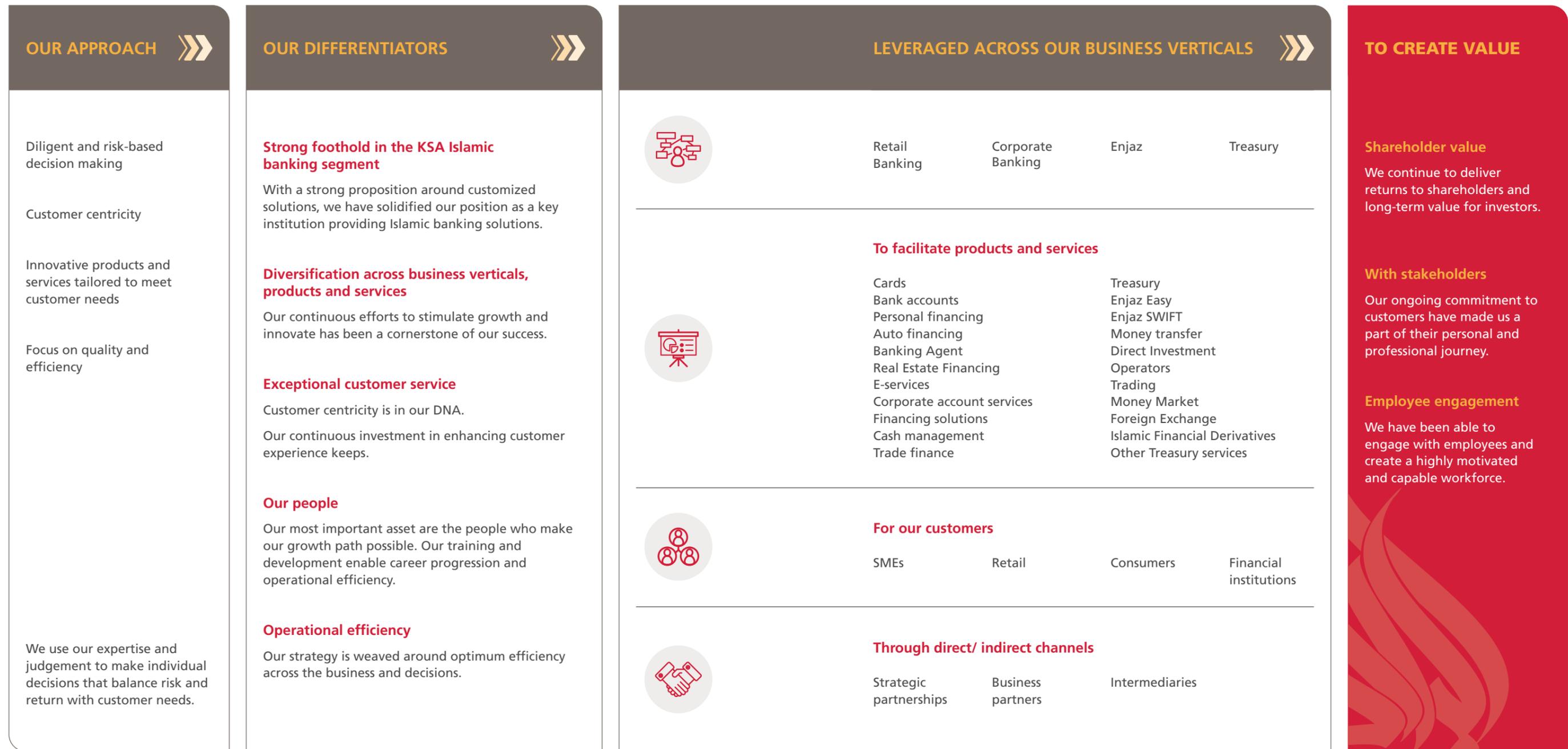
Business Model

The Bank's value business model reflects the value it creates for customers.

Bank Albilad has beaten the average growth in the Kingdom's banking industry for years measured by asset growth, as well as in terms of the increase in its deposit base. This demonstrates the Bank's successful penetration into key segments such as personal finance, consumer

finance, mortgage lending and corporate lending has been well-targeted and effective. It also evidences a strong appetite to leverage the Bank's investment capabilities, and increase its market share by aligning with the evolving demands and expectations of the Saudi customer.

Bank Albilad works closely with government agencies to enhance the quality of life for consumers and business owners alike, whatever their stage of development.



Underpinned by our strong risk management, best practice governance and work culture

Chairman's Statement



All praise due to Allah, and peace and blessing be upon the Prophet of Allah, his family, and all his companions.

Dear Shareholders, Partners, and Investors

On behalf of the Board of Directors, I am pleased to present the Annual Report and audited Financial Statements for Bank Albilad for the year ended 31 December 2021.

In 2021, Bank Albilad succeeded in achieving outstanding performance in all areas of business and continued to record growth in operating income, net profit, and financial position in general.

Nasser Mohammed AlSubeai
Chairman

Strengthening its reputation as a leading bank through innovation and the use of digital tools and platforms developed to meet customer needs, underscoring its constant keenness to achieve sustainability, sustainable development, and its adoption of the principles of Environmental, Social, and Corporate Governance.

Dynamic Operating Model and Value Growth for Stakeholders

The strength of performance and improved productivity for 2021 underscores the strength of the Bank's flexible operating model, as a pillar to highlight its strengths and

excellence amid the instability in the global economy.

With the rapid development of the digital economy this year, this operational model has provided many opportunities for innovation and the employment of innovative financial and banking solutions that adapt to the needs of customers and employees, as the Bank sought to complete its preparations for the overall digital transformation and enhance operational competencies to achieve the highest levels of customer satisfaction in general while improving the experience of corporate customers, and the success

of their businesses, by facilitating and accelerating banking services and providing them across different platforms. Employees are empowered to complement and enhance this strategic approach by developing their skills to improve the customer experience and prepare the bank's services and products to accommodate future developments.

In order to achieve the essence of its strategy by providing real sustainable value, the Bank affirms its continued commitment to offering comprehensive employment opportunities to enable

its human capital and active participation at all levels, reflecting the Bank's services and initiatives to align its vision and objectives with the Kingdom's Vision 2030 and its goals.

This year, the Bank was able to achieve sustainable value by applying outstanding asset quality standards, maintaining capitalization levels, and achieving a strong liquidity position. On 09 November 2021, the Board of Directors issued its recommendation to the Extraordinary General Assembly to increase the Bank's capital from SAR 7.5 billion to SAR 10 billion, an increase of 33.33% by capitalization of SAR 2.5 billion of retained earnings, followed by an increase in the number of shares that reached 1,000 million shares instead of 750 million shares, by granting one free share for every three existing ones. The increase in capital aims to enhance the Bank's financial solvency and retain its resources in operational activities.

The Economic Landscape and Promising Opportunities

The world's economic recovery emerged earlier this year, and financial and economic markets continued to gradually improve in 2021, with the Kingdom's economy recording its fastest growth rate in nearly 10 years. After significant progress in overcoming the challenges of the Covid-19 pandemic, thanks to the strategic support of our government through the Saudi Central Bank and other regulators, the Bank will continue to be equipped with a strong liquidity position, in the face of all challenges, further progress, growth and the exploitation of the diverse opportunities created by the current situation of the global economy.

A Future Look

The Bank's opportunities varied during 2021, such as investing in

various markets and sectors, and accelerating economic development projects for the public and private sectors in the Kingdom contributed to stimulating overall economic growth, attracting foreign direct investment from different countries of the world, which constituted a continuous positive cycle of inward investments and enriching the value chain, areas that the Bank looks forward to increasing its utilization.

As Shariah-compliant global financing continues to expand, as investors become more oriented towards informed and sustainable assets and investments, taking advantage of the underlying strengths in this area, the Bank looks forward to establishing its active role and leading position in this area of financing domestically and internationally.

The Bank seeks to strengthen its strategic focus on employing digital transformation in various business areas, partnering with those involved in the field of financial technology to create new products and solutions. It aims to achieve comprehensive economic growth, establish cooperation with the relevant government agencies, support and finance employers and sectors concerned with creating jobs and increasing the growth of the Kingdom's economy. This includes the corporate sector in general as well as the MSME sector. Based on its community responsibility through community finance initiatives, the Bank seeks to support the various entities and groups that are eligible in this area.

Outstanding Performance

Despite the instability caused by the pandemic, we were pleased to double the Bank's productivity and achieve outstanding value for its employees, customers, shareholders, and all investors. The Bank achieved a significant increase in almost all

indicators in 2021. It exceeds expectations across the business, providing significant opportunities for strategic expansion and greater sustainable shareholder value in 2022.

The Bank has also developed its approach to meeting the needs of customers with the effort and dedication of Albilad ambassadors, their continued contributions to creating and enhancing value, and the associated support of the Bank for their careers by introducing digital solutions and innovative professional development plans.

Our Thanks

On behalf of the members of the Board of Directors, I raise to the position of the Custodian of the Two Holy Mosques and his faithful Crown Prince – may Allah protect them – many thanks and gratitude for the support, guidance, and wise care of the financial and banking sector, and all political, economic, and social activities to achieve growth and prosperity of the Kingdom, its citizens and its residents.

Further, I would like to express my gratitude to the Ministry of Finance, the Saudi Central Bank, the Ministry of Commerce, and the Capital Market Authority, for their support in the financial and banking sector in the Kingdom through regulation, legislation, and oversight, in a way that guarantees its stability.

In Conclusion

I would like to thank the executive management and all of our employees, customers, investors, partners, and shareholders for their ongoing support and confidence throughout 2021. I look forward to sharing the proceeds of our future success as we continue to serve our customers with innovative banking services and products over the coming period.



Ladies and Gentlemen, Bank Albilad Shareholders Peace be upon you.

A year after the challenges brought about by the pandemic, the Kingdom's economy recovered in 2021 on the back of higher oil prices and as worldwide vaccination rollouts eased border restrictions. We accomplished significant progress across several areas and gained greater appreciation for the vital contributions of our Ambassadors during difficult periods.

The adage "There is opportunity in

Abdulaziz M. Al-Onaizan
Chief Executive Officer

every crisis" could not be truer during the past two years. We thought of new ways to continue delivering the highest quality in everything we do. The Bank accelerated digitization in the form of launching digital products and introducing digital payments to adapt to the "new normal". We ramped-up our digital transformation delivering wide-ranging operational efficiencies and building resilience. New digital platforms and solutions enhanced the customer journey.

The Bank successfully concluded, two fund raising activities in 2021 to strengthen our capital base and drive growth. First, the Bank redeemed its previously issued SAR 2 billion Sukuk and issued a new domestic SAR-denominated Tier-2 Sukuk, amounting to SAR 3 billion, through private placement. The new issuance is a 10-year Sukuk callable on the fifth year and included an option for the holders of the previously issued SAR 2 billion Sukuk to exchange their investment to the new Tier 2 Sukuk. Secondly, our

general assembly approved the increase in our capital from SAR7.5 billion to SAR10 billion by way of issuing bonus shares to the Bank's shareholders capitalized from retained earnings.

We are immensely proud of Bank Albilad being named as the top Tadawul-listed growth company during past 10 years. The Bank posted profit growth in 35 out of 40 quarters over the 10-year period which translated to a CAGR of 31.5%, the highest among

Tadawul-listed companies. Moreover, the Bank is ranked at number 24 in the Top 50 Banks in The Middle East by Forbes Middle East.

All business lines performed very well across the board. The Bank's Net Income grew 25% to SAR1.9 Billion before Zakat, compared to SAR 1.5 Billion in 2020. This is due in part to the growth of the Bank's Total Operating Income, which increased by 8% to SAR 4.6 Billion. Total Assets grew by 16% to SAR SAR110.9 Billion, buoyed by the growth Consumer Finance and Real Estate Finance of 15% and 36%, respectively while Deposits were up by 13%. Our Corporate portfolio jumped 22% while Trade Finance also grew by 18%. In Treasury, investment portfolio increased by 15%.

Operating expenses decreased by only 2% attributable to efficiencies from digitization and cost rationalization. We continue to create value for our shareholders, and this is reflected in our return on equity, which reached 14.85% by year-end.

Supporting The Economy and Vision 2030

Bank Albilad has been at the forefront in the MSME lending in partnership with the General Authority for Small and Medium Enterprises (Monshaat) and Small and Medium Enterprises Financing Guarantee Program (Kafalah) in support of the objectives of Financial Sector Development Program (FSDP) to increase the contribution of MSMEs to GDP from 20% to 35% by 2030. In fact, Bank Albilad was the leading partner

bank of Monshaat and Kafalah for the most part of 2021 in terms of extending facilities to these enterprises. The Bank has developed customized financing solutions geared for this market like the POS Financing for SMEs and the Letter of Guarantee for Recruitment Offices and Companies Program.

Equally important, the Bank has been actively promoting the Kingdom's goal of increasing home ownership level to 70% by 2030 by developing various home loan options - a mandate carried out in strong partnership and collaboration with the Ministry of Housing and Real Estate Development Fund (REDF), which increased the size of our mortgage business. Our home loans specialists, situated in various SAKANI centres, provided advise and assisted clients on their applications. We are elated that these efforts have been recognized when the Ministry of Housing and SAKANI conferred to Bank Albilad the "Best Customer Experience Award".

In terms of encouraging savings, we have introduced the ZOOD Savings Program, a joint undertaking between Bank Albilad and the Social Development Bank. We are helping as well in government efforts to raise awareness around financial literacy in all social media.

Accelerating Our Digital Proposition

During the year, we invested heavily in technology to build a more resilient business. We took advantage of new systems and platforms to drive digital transformation and adoption while maintaining our focus on customer experience as well as enhancing operational controls.

Business operating models and customer preferences and behaviors have undergone fundamental changes. We built capabilities, adaptability and resiliency in our strategies and operations. We became agile in our plans, processes, infrastructure, systems, and data management. And most of important of all, digitalization of customer journeys (on boarding, buying of products and services, etc.) and processes making banking and access to financial services easy, seamless, and cost efficient

The Bank opened the first digital branch in the Kingdom at the Riyadh Front. This is part of the Bank's strategy to enhance the customer experience and digital transformation. The branch offers technologically advanced services made available for the first time in the Kingdom, including viewing homes offered by National Housing Company virtually. We officially started the agent banking arrangement with SMSA with 2 branches. We were the first in the Kingdom to provide banking services and products to customers through agent banking. With agent banking, we can expand our reach and complement our physical presence in certain locations giving the public greater access to banking services in line with the Kingdom's Vision 2030 thrust of financial inclusion for all residents.

Like the SARIE system, the introduction of the Instant Payment System (IPS) was another major milestone in the history of payment system in the Kingdom, as we transition to digital economy. I am pleased to note that Bank Albilad was one of the first banks to

CEO's Statement (continued)

participate in the initial phases of this project. This only shows we have the technical and business proficiency to handle projects of such scale. Most important of all, I take great pride in knowing the first ever successful transaction done in IPS with another Bank was executed by Bank Albilad.

Enjaz the remittance arm of the Bank saw its digital transactions jump to 50%. Partly driving growth in digital transactions were the installation of Self-Service Kiosk and POS Terminals in large corporates, hospitals and in company sites with high number of staff and at the same time an extensive Kingdom-wide campaign promoting usage of the product through digital channels.

2021 was also the year we launched the Operational Excellence program managed by our Operations Management Group.

Human Capital and Work Environment - Nurturing Talent

An organization is only as good as its people from top to bottom. Our employees, undoubtedly, are the backbone of our business and one of the keys to our success.

We invested in specialized training to equip our people with necessary workplace skills: adaptability, an entrepreneurial mindset and digital literacy. The Bank has made available over 5,000 training opportunities under its Human Capital Development programs and provided special training to our executives and middle management as well.

We are happy to note our Albilad

Future program for fresh university graduates, has produced successful professionals who are now manning supervisory positions in the Bank. We developed succession plans so the Bank can retain the best and brightest people across middle, senior managerial and entry levels including employee retention plan by way of the Employees Saving Program (Hafedh). In terms of Saudization, the Bank has reached the platinum zone, the highest percentage category in the Nitaqat system being implemented by its Ministry of Labor and Social Development towards increasing the employment of Saudi nationals in the private sector.

We listen to the voice and feel the pulse of our people through engagement and team building programs which have been institutionalized in the Bank. The Albilad Ambassadors Council, for example, suggests improvements in the work environment and engage in social responsibility programs and volunteer work. The "Thursday with the President" meetings with the Ambassadors, on the other hand, serves as a forum to discuss range of issues from staff engagement to raising performance.

Giving Back to Our Community

Building upon our existing Corporate Social Responsibility Program #Albilad_Mubadarah, we set out to develop new environment, social and governance (ESG) principles in 2021. These are integral to our identity as a Bank that cares.

We extended our support to the

Kingdom's fight against Covid-19 in 2021 by opening several Enjaz branches to the Ministry of Health for use as vaccination centers. We initiated a Blood Donation Campaign among Bank Albilad Ambassadors in cooperation with King Faisal Specialist Hospital. The Bank also signed a cooperation agreement with Al-Qassim Health Community and the Patients Friends Committee to support their gastrointestinal system unit and with the Al-Imam Muhammad bin Saud Islamic University to provide financial services that include financing graduate and outstanding students.

In total, the extensive ESG work the Bank had carried out in 2021 reached 64 compared to 52 in 2020. It is our hope that these environmental campaigns and social impact programs will make a lasting and meaningful difference in the communities where we operate.

Meanwhile, Bank Albilad continued to implement policy responses that enabled the Bank to adapt to new ways of working and doing business. Despite the work from home arrangements, travel restrictions and other challenges, we are pleased to note that the Bank achieved all SAMA KPIs pertaining to quality of handling customer complaints. We thank all Albilad Ambassadors for their active participation and teamwork in achieving these KPIs. Our employees' hard work and contribution throughout the year have not gone unnoticed – their dedication and commitment are the central driver of our success.

Through these efforts, the Bank received several awards and recognitions including, Enjaz App the Most Innovative New Money Transfer, Best Corporate Social Responsibility Initiative Award - Saving Awareness Program, and the Corporate Governance Excellence Award at the 2nd International Corporate Governance Conference held at the Corporate Governance Center at Al Faisal University in Riyadh.

My Thanks and Gratitude

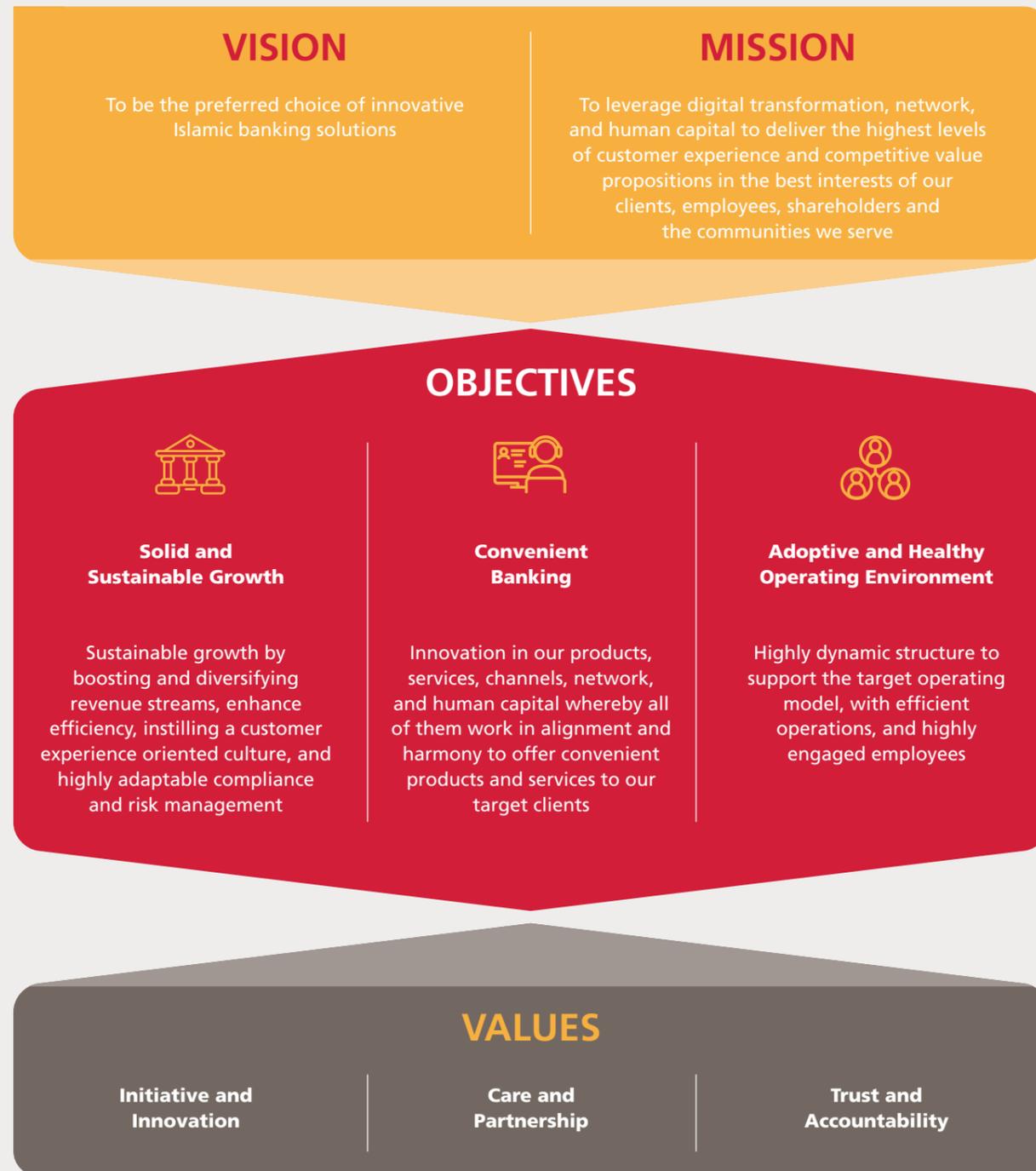
In closing, I would like to thank our customers, partners, and shareholders for their untiring support to the Bank throughout the year.

I am grateful to our Board of

Directors, for their guidance, encouragement, and help as we set out to meet our strategic objectives in 2021. To our Ambassadors, thank you for your dedication to our purpose and pushing through difficult circumstances. Looking ahead, we will continue to work toward a Bank that is stronger, more technologically savvy, more inclusive, more sustainable and keeping our customers at the center of our business.

Finally, I express my sincerest gratitude to the Custodian of the Two Holy Mosques and the Crown Prince – may Allah protect them – and the Ministry of Finance, the Saudi Central Bank (SAMA), the Ministry of Commerce, and the

Capital Market Authority, for their utmost support ensuring a robust and stable banking sector and economy.



Overview
Bank Albilad's vision is being transformed to align with Saudi Vision 2030 and contribute to its success while considering the expected investment opportunities

and acceptable risk levels, and to achieve the Bank's goals of increasing its market share, achieving growth in revenues and net profits, and increasing its capital base.

The overall theme of Bank Albilad's strategy is to leverage banking channels, networks and expertise among the Bank's employees and technologies to support sustainable growth and boost revenue streams.

This will be supported by ongoing operational excellence and a performance-driven culture.

Across all business verticals, innovation is key to the long-term success of the Bank and its products and services, which will be further diversified and enhanced to build a highly dynamic business structure. This strategy will deliver a seamless service with the highest levels of convenience, together with competitive value, value-add and expert advice for Bank Albilad customers.

The transformation strategy also sets out to achieve growth through retail revenue, growing liabilities, and a sharp focus on a diversity of sectors such as real estate, education, and healthcare. This approach will be complemented by strict control of operating costs, a reduction in manual transactions and the reengineering and enhancement of current processes.

Operating within an adoptive, agile and adaptable environment is crucial in supporting the Bank's strategic goals, which is why the attraction, development and retention of human talents is such an important part of the Bank's strategy. Additionally, as part of its environment, social and governance (ESG) activities, the Bank promotes volunteer programs and corporate social responsibility projects, system availability, incident measures, process scores, and obligations to regulators.

Corporate Banking
Bank Albilad's strategic priority for corporate banking is to grow its book of high-quality assets by being viewed as a preferred bank that provides corporate financing solutions based on Islamic Shariah. This will be achieved by focusing on fee-based income, improving cross-selling, and building a stronger presence in the market. The Corporate Banking team will also maintain its proven strategy of maintaining close contact with clients, enhancing customer

engagement strategies and driving take-up of existing products and services.

Retail
Bank Albilad aims to be a convenient retail bank by introducing new products and services, solutions and applications, focusing on digital innovation, smart branches, and adopting digital platforms across the retail banking customer base. To achieve sustained growth in retail banking in 2022, we will seek to develop and deploy innovative new products and services that proffer sustainable growth in revenue, net income, assets, fees and customer deposits.

Enjaz
As the Bank looks to unlock further value through diversification and digitization, it will accelerate the adoption of Enjaz digital applications to expand its remittance business, accelerate the adoption of digital cards and increase market share through a growing network of Enjaz centers. A blend of digital and physical solutions – including the Enjaz digital account, Enjaz app and mobile branches – will enable the Bank to serve an increasingly diverse customer segment in multiple locations while also achieving operational excellence and efficiencies.

Treasury
The Bank's approach to sustaining and building its Treasury business involves increasing the Sukuk portfolio, securing a greater diversity of investments and the highly profitable FX business. Much of this activity will be well supported by the benefits of the new Temenos System T24, which will allow for more sophisticated products to be invested in and offered to customers – in addition to improving the operational efficiency of the business streams. Treasury is also expanding its financial counterparty relationships (domestic and international), its fixed income, alternative books, and advisory business.

Investment and Brokerage (Albilad Capital)
Albilad Capital will pursue a strategy of reaching out to institutional investors to market its multi-asset platform and promote its investment processes and product innovations. The business will also leverage the team's performance track record to actively market its DPM services in the equity and Sukuk markets. The investment banking team will also pursue a higher volume and value of high-profile Sukuks, IPOs, and mergers and acquisitions.

Asset Management
After the launch of Albilad UK Income Opportunities in March 2021 and the Albilad diversified SAR fund in June 2021, the Asset Management team look forward to significantly increasing assets under management in 2022 and beyond, which will be achieved through the deployment of new and upgraded technologies and partnerships with high profile funds.

Brokerage
Albilad Capital's brokerage division will achieve growth in trading turnover and commission revenues through the development and rollout of new brokerage services and operational capabilities and by leveraging the Bank's capacity to offer Albilad MSCI US Equity ETF units on the Saudi Stock Exchange (Tadawul) as an Exchange Traded Fund.

Financial Review

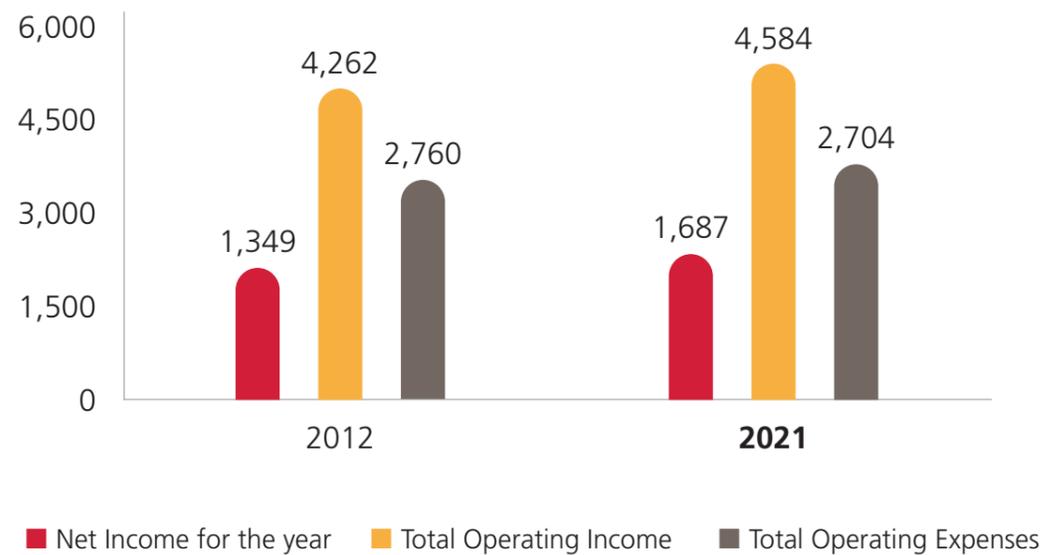
The annual financial results of Bank Albilad showed for the year ended 31 December 2022, a continuous growth of profits as a result of growth in all activities of the Bank, where the Bank's net income before Zakat increased by 25% to reach SAR 1,880 million compared to SAR 1,502 million for the the previous year.

The Bank continued to achieve an increased level of revenue which witnessed an increase achieved on the basis of total operating income of SAR 4,584 million, an increase of 8%, which resulted mainly from higher

financing and investment revenues. In contrast, the total operating expenses decreased by -2% to reach SAR 2,704 million as a result of the decrease in impairment charge for expected credit losses, net.

Bank Albilad achieved net profit after Zakat for the year 2021 with an amount of about SAR 1,687 million compared to net profit of about SAR 1,349 million for the same period of the previous year 2020, with an increase of 25%.

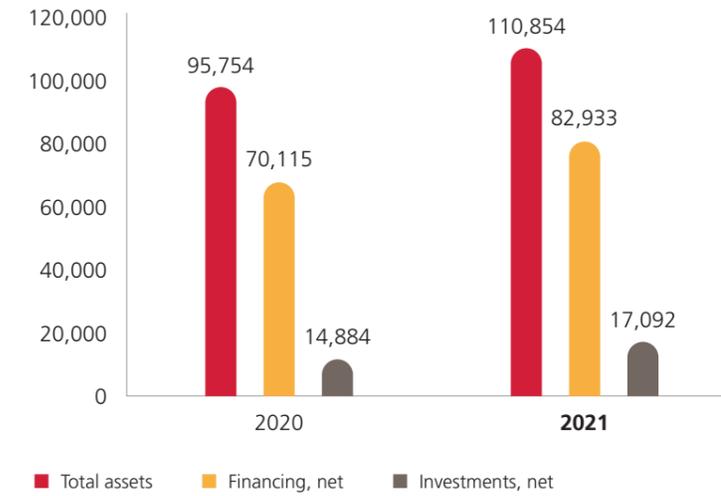
(SAR in millions)



On the Financial position side, net financing increased to reach SAR 82,933 million, an increase of 18% and investments grew to SAR 17,092 million, an increase of

15% compared to the same period of the previous year, which led to growth in the bank's total assets to reach SAR 110,854 million.

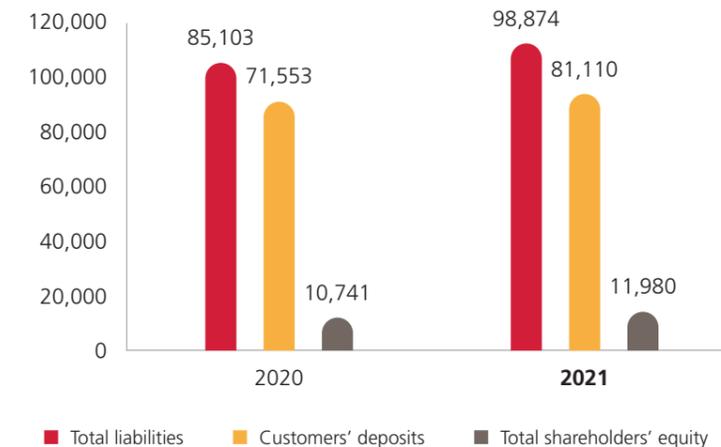
(SAR in millions)



On the liabilities side, deposits increased to reach SAR 81,110 million, or 13%, compared to the same period in the previous year. The total equity amounted to SAR 11,980 million, an increase of SAR 1,239 million, or 12%

at the end of December 2021, compared to SAR 10,741 million at the end of December 2020, mainly due to the increase in the Bank's net income. The number of ordinary issued shares reached 750 million shares.

(SAR in millions)



The capital adequacy ratio for the pillar I at the end of 2021 was 19%. After zakat, the Bank achieved a return on average assets of about 1.6%, while the return on average shareholders' equity was 14.85%, and earnings per share reached 2.26 riyals per share.

The Bank was able to achieve positive financial and operational results and growth during the year 2021, as it achieved growth rates that exceeded the goals set, as a result to the Bank's policies and business strategies that were implemented during the year.

Investment Case

In the wake of Covid-19 and within the context of a more competitive financing landscape, Bank Albilad delivered sustained value to its shareholders by ensuring that every customer, under any segment, has access to the best financial solutions across all channels.

The national strategy for socio-economic growth through Saudi Vision 2030 provides the Bank with significant new opportunities for project financing, and for new ways to support the SME sector. By leveraging fintech innovations and through the creation of our own open banking platform, we have a unique opportunity to serve Saudi Arabia's entrepreneurs and business owners as they look to scale up, create jobs and contribute to enriching our country's value chains.

Banking as a Service

The Bank's Board of Directors is particularly cognizant of the fast-approaching opportunities inherent within the new world of Banking as a Service (BaaS). Our strategic focus is to explore every opportunity for value creation within this emerging reality with a view to continued product diversification and customer value. This is integral to our ability to achieve dynamic growth over the long term and to create sustainable value for our shareholders.

As BaaS evolves, we anticipate that there will be many exciting opportunities for the Bank to leverage its strengths in retail banking and cement its role as a lifelong partner to its customers. Product segments such as the Bank's rapid growth as a leading national mortgage provider, leave it very well placed to enrich the customer journey and futureproof the business through the development of new partnerships, ancillary services and products.

Capital Growth

The diversification that has characterized the Bank's success was mirrored in the expansion of its investment, deal-making and capital markets activities in 2021.

Product innovation and the development of new investment platforms have enabled the Bank to deliver growth for investors.

The Bank has led and participated in some of Saudi

Arabia's most high-profile deals in 2021 at the same time as having significantly extended its reach as an advisory business for the M&A market.

The direction of travel portrayed by Albilad Capital last year is clear: strong performance on the back of greater market share, product and service diversification and a significant increase in the value of assets under management. The addition of a new international brokerage desk has served to further enhance our product offering and in December the Capital Market Authority approved our request to offer Albilad MSCI US Equity ETF units on the Saudi Stock Exchange (Tadawul) as an Exchange Traded Fund.

Bank Albilad's growth in 2021 has delivered sustained value for its shareholders. Through a clear commitment to investing in the tools, skills and platforms needed to enrich the customer journey the Bank is well placed to continue to create value through 2022 and beyond.



Market Review

‘Improved economic sentiment and higher hydrocarbon production should deliver sustained economic growth globally and in Saudi Arabia in 2022.’

Setting out to control a national deficit caused by lower petroleum revenues and the coronavirus crisis in 2020, the Saudi Arabian government adopted appropriate policies to balance growth, economic stability and fiscal sustainability in 2021.

It was an approach buoyed by the impact of economic stimulus packages adopted by the government in 2020, which played an instrumental role in supporting the private sector and jobs. The maintenance of a robust economy throughout 2020 and into 2021 ensured that supply and value chains remained active throughout the period, which in turn supported ongoing public investments in the government’s economic diversification agenda. Fiscal measures that were taken during 2020 also served to support continued state-backed investments in the non-oil economy.

Those investments provided new opportunities for foreign companies, private sector entrepreneurs and Saudi-based firms in 2021, reflecting policymakers’ focus on increasing the role of the private sector to

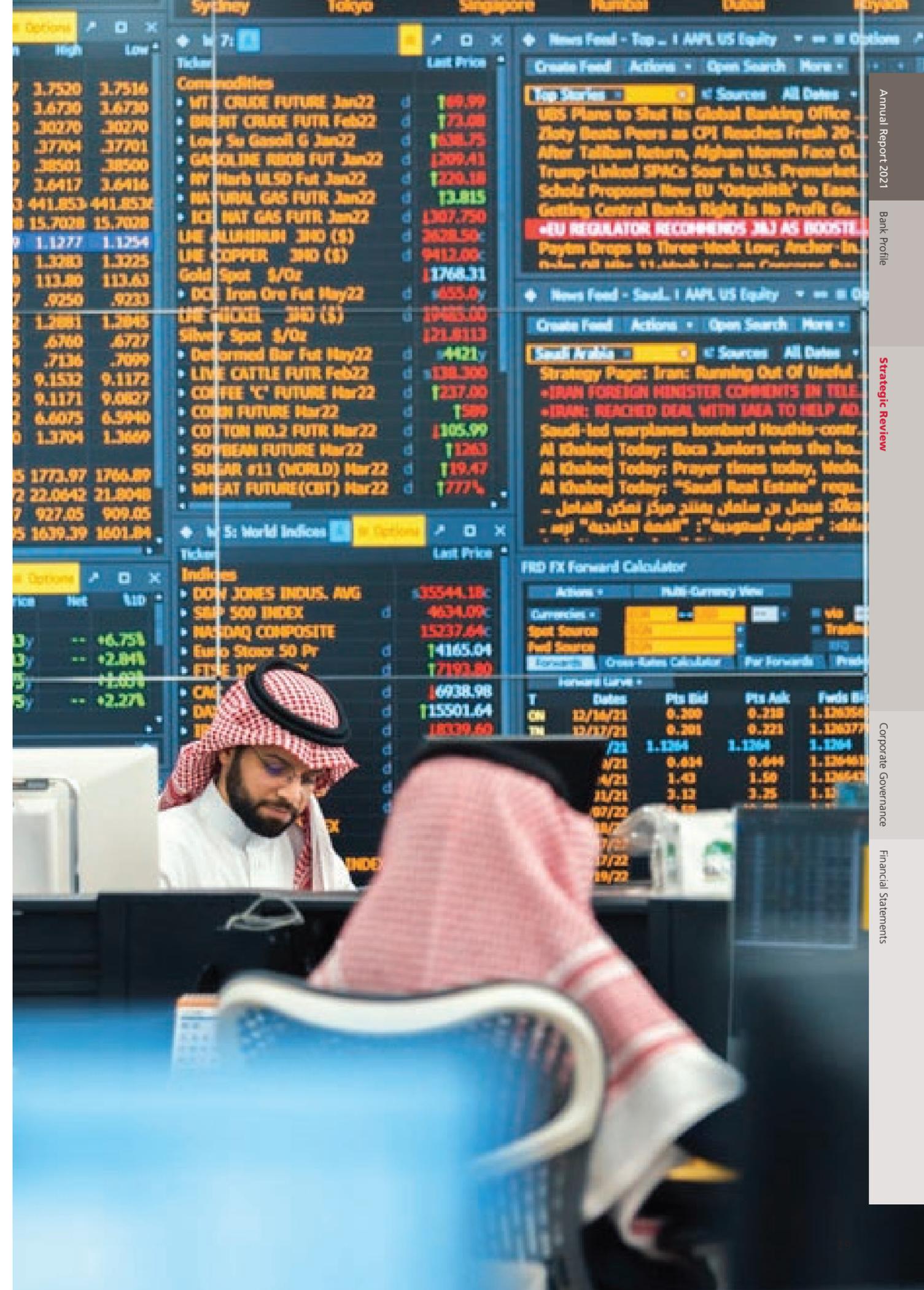
enrich value chains for the long term. Investments across multiple sectors, including nascent leisure, lifestyle and tourism industries, boosted multiplier effects across the wider economy as did the buoyant real estate sector.

The Saudi economy as a whole benefitted from a total Sukuk issuance of \$32 billion in 2021, making it the region’s top issuer. The move delivered good value for investors during a period of historically low interest rates and market windows. However, the US Federal Reserve’s December 2021 announcement that it would raise rates by 0.25% three times in 2022 will dictate that GCC economies follow suit. It is hoped that the mid-term impact in 2022 will be to restrain global inflationary pressures across commodities. More broadly, improved economic sentiment and higher hydrocarbon production should deliver sustained economic growth globally and in Saudi Arabia in 2022.

This picture is mirrored in the GCC Banking Sector Outlook: On the Recovery Path in 2022 - a report from S&P Global Ratings, which

suggests that banks in the GCC will benefit from a regional economic recovery in 2022. Interest rate rises will also help banks in the Gulf to improve their net interest margins and profitability, whilst strong capitalization and ongoing government support will continue to reinforce GCC lenders’ creditworthiness.

Reforms to the capital markets continued in 2021. The launch of Tadawul’s environment, social and governance (ESG) guidelines represented an important milestone in the Kingdom’s role as a champion for responsible and sustainable investment and long-term economic growth. As part of its ESG commitment, Tadawul will help issuers and investors to deepen their understanding of ESG best practices and support listed companies’ as they navigate the rapidly changing ESG landscape. With sustainability being at the heart of Vision 2030, the adoption of ESG practices at every level of the Saudi economy is an important and very welcome development.



Operating Review

Bank Albilad's operations fall into four categories: Retail, Corporate, Treasury, and Investment & Brokerage. These businesses generated approximately 64%, 17%, 14%, and 5% respectively of the Bank's revenues in 2021.



pandemic, leaving it well-prepared for a rapid shift to digital, non-branch-based banking. In total, 70% of new retail accounts were opened digitally in 2021 – compared to 66% in 2020. When digital and non-digital onboarding is combined, the Bank has tripled the number of

accounts being opened. The Bank also introduced NFC (near-field communications) capabilities at its network of ATMs in 2021, allowing customers to use ATMs without inserting their cards. The ATM network has also been updated to provide customers with

It was a year that saw the Bank work to enhance operational efficiencies, maximize productivity, increase market share and move towards adopting a more sophisticated form of environment, social, and governance measurement protocols. These goals, underpinned by a sharp focus on the nature of the relationships that exist between our staff and customers, served as a comprehensive framework for a dynamic performance in 2021.

Our Network

The Bank's network of branches was strategically geared towards digitalization, increasing deposits, and promoting high-fee retail products throughout the year. The Bank also worked to develop new wholly-owned standalone branches in 2021, which is removing rent liabilities and increasing the Bank's ability to streamline its branch operations and align the customer journey across branches.

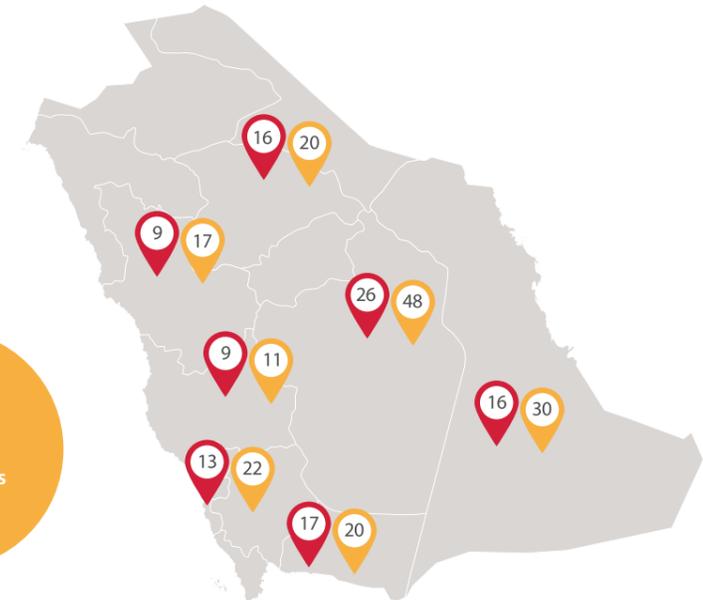
The Bank's customers continued to benefit from the digital transformation in 2021. Fortuitously, the Bank Albilad digital journey began several years before the

digital banking solutions within the ATM experience in addition to mobile platforms. This is part of the Bank's migratory transition program as it brings customers over to the pure digital experience.

Branch Network Geographical Distribution

BRANCH NETWORK		ENJAZ NETWORK	
Region	Total	Region	Total
Riyadh	45	Riyadh	51
Makkah and Taif	9	Makkah and Taif	11
Eastern	26	Eastern	31
Qassim	16	Qassim	21
Southern	17	Southern	21
Jeddah	28	Jeddah	24
Madina / Yanbu / Tabuk	11	Madina / Yanbu / Tabuk	18
Total	152	Total	177

We believe that physical branches still have a key role to play in enhancing Bank Albilad's image, relationship management and customer engagement; all of which are enablers of increasing deposits and a growing client base.



70%

of new retail accounts were opened digitally

50%

of all Enjaz transactions were processed digitally



The Bank's partnerships with the Ministry of Municipal & Rural Affairs & Housing and the government's Real Estate Development Fund (REDF) continued to help widen access to affordable home purchase solutions in 2021.

Retail Banking

Retail banking continued in its strong trajectory in 2021, with particularly significant growth across the Bank's real estate financing products. The Bank Albilad Mortgage Market Share has steadily increased in recent years and currently stands at 6.26%. Our strategy is to increase our market share in 2022 to be in the region of 7% - 8%.

The appetite for homeownership among Saudis continues to grow, thanks in part to government initiatives that set out to increase homeownership, with a national goal of 70% by 2030. According to the General Authority for Statistics, 67% of Saudis are under the age of 35 and would be joining the search for housing solutions in the next few years. This provides our Retail Banking unit with enormous opportunities to add value.

Bank Albilad has also signed a cooperation agreement with WAFI to offer 3*1 products for real estate developers. The arrangement will see the Bank provide Corporate Facilities, Escrow Account Solutions, and Retail Customer Financing.

To further support the Saudi housing market, the Bank's partnerships with the Ministry of Municipal & Rural Affairs & Housing and the government's Real Estate Development Fund (REDF) continued to help widen access to affordable home purchase solutions in 2021. Products include subsidized profit products for ready units, self-construction, off-Plan, land and self-construction, and equity release.

To achieve sustained growth in retail banking in 2022, we will seek to develop and deploy innovative new products and services that proffer sustainable growth in revenue, net income, assets, fees & customer deposits. We will continue to seek improvements in our service quality, strengthen our loyalty programs, focus on the affluent segment, and accelerate our digital transformation. Digital innovations on track include the completion of a

full mobile app journey, customer segmentation technologies, and new sales platforms. We will also proactively capture opportunities emerging out of the KSA 2030 Vision & Transformation programs.

Enjaz

In a year of increased competition and hangover challenges from 2020, Enjaz performed strongly, delivering above-target results for the migration of Enjaz customers to digital channels and issuance of Enjaz Cards. We saw growth in the number of digital transactions, Card usage and the referral of Enjaz customers to become Bank Albilad customers.

To support growth, we ran new marketing campaigns to drive customers to the Enjaz App and digital account as part of the Bank's wider digitalization strategy. In total, 50% of all Enjaz transactions were processed digitally, with 17% through the Enjaz App. We also completed the installation of additional 100 Kiosks installed in 24/7 area in 100 Centres around the Kingdom in 2021, driving customers to digital channels by enabling them to initiate remittance transactions. New Kiosks allowed us to increase migration to digital channels and resulted in increasing percentage of transactions processed through Kiosk to 13% by Year end.

More Correspondent banks were onboarded to our API connectivity in 2021, providing even greater choice for customers.

Enjaz continued to extend its digital service solutions in 2021 through the development and deployment of new remittance, payments, and digital card solutions. Our main focus was to compete in the area of Remittance application and Digital wallet and this focus resulted in reaching more than 1.5m downloads. The introduction of our digital capabilities helped us to reduce over-the-counter transactions dramatically and reflect positively in reducing number of branches and overhead cost.

On the other hand, we put more focus on changing the perception of Enjaz in the market from being only a remittance arm of Bank Albilad to become a payment player by marketing Enjaz and Payroll Cards. During 2021, we managed to issue 182,490 cards (Digital & Physical).

Looking ahead, Enjaz is in a good to increase market share – currently at 20 – 25%. - by leveraging its position as one of the top remittance market leaders.

Treasury

Despite 2021 continuing to be another chaotic year, BAB Treasury astutely steered clear of the pitfalls presented by such disorientation and achieved outstanding results measured both by asset growth and higher revenue realisation.

As the year unfolded, Treasury identified and captured opportunities as they presented themselves arising from market dislocation and adopted strategies and tools that allowed for further diversification of the investment portfolio. At the end of the year, Treasury had quite a few achievements to be proud of, namely substantial growth in its fixed income portfolio that provided both income stability and improved the risk-return profile, which then allowed for a higher allocation to equities – domestic and regional (GCC), directly or through DPM arrangements.

The icing perhaps was the success attained in broadening the customer base, enhancing relationships that stemmed from the resumption of personal client / counterparty visits, launching of new products.

Treasury will continue to work on expanding its financial counterparty relationships (domestic and international), its fixed income, and alternative portfolios, and target a bigger market share and client base in the Islamic derivatives space.

Operating Review (continued)

Corporate Banking

Underpinning Bank Albilad's strategy in 2021 was to increase its presence in Corporate Banking and to book quality assets by being viewed as a preferred bank that provides corporate financing solutions based on Islamic Shariah. This was done by focusing on fee-based income, improving cross-selling, and building a stronger presence in the market. By year-end, Corporate Banking had achieved growth in assets of 14.3%, a 30% increase in the size of its customer base, and a 28% YoY uptick in the volume of trade finance business.

Corporate Banking took an aggressive approach by identifying market segments that were less affected by the Covid-19 pandemic while maintaining caution in segments that were impacted more adversely. In addition, a core objective was to ensure that close contact was always maintained with clients to maximize productivity and deliver the highest levels of service.

Within the context of a corporate banking landscape that is in permanent flux, the Bank Albilad Corporate Banking Team worked to maintain close contact with the clients, enhancing customer engagement strategies and driving take-up of existing products and services.

The Saudi Central Bank (SAMA) was quick and proactive in announcing a SAR 50 billion package to support the MSME segment. Bank Albilad ensured that the full benefit of this package is passed on to the clients in the MSME segment either through deferment of installments or by providing additional financing guaranteed through the Kafala Program.

Moreover, we have developed product programs to provide financing and banking services to MSME customers. Contacts were further strengthened with external

and internal parties for the referral of MSME clients.

As part of its strategic commitment to supporting high-growth industries and the housing sector in the Kingdom, the Bank signed a cooperation agreement with Wafi in 2021 to facilitate financing and enable off-plan real estate projects. The agreement sets out to enhance investment in the real estate sector by enabling the financing of real estate developers and providing appropriate financial solutions to increase sales. As the account trustee and financier for the project, Bank Albilad serves to reduce the risks of the project's incompleteness or risk of faltering due to the insufficiency of the funds obtained from sales operations.

As we move into 2022, we anticipate that there will be a shift in the viability of some companies in certain industries, which will likely result in consolidation, closures, mergers, and acquisitions. This will provide our industry with challenges but also with many new opportunities.

Albilad Capital

Albilad Capital's strategy in 2021 was to reach out to institutional investors to market its multi-asset platform and to promote our investing processes and product innovation. We also set out to leverage the team's performance track record to market our DPM services in the equity and Sukuk markets. The resulting performance was exceptional across all divisions.

After a year of outstanding performance in 2021, Albilad Investment Company's gross revenue increased from SAR181 Million to SAR239 Million. Albilad Capital's investment banking team participated in a range of high-profile Sukuks, IPOs, and mergers and acquisitions in 2021, with Sukuk transactions amounting to more than SAR 28 billion by

year-end. This figure included acting as the sole arranger of a SAR 3 billion tier 2 Sukuk for Bank Albilad and as joint lead manager for a SAR 650 million Sukuk for Arabian Centers.

Albilad Capital also acted as joint lead manager in a Fourth Series Sukuk issuance from the Rawabi Holding Company worth SAR 1.673 billion, against a planned issuance size of SAR 500 million. The Fourth Series followed the successful issuance of three series' totaling SAR 1.16 billion under the Sukuk program in 2020. In addition, the Company acted as a passive bookrunner in Saudi Aramco's inaugural USD 6 billion Sukuk.

Our investment banking division participated in high-profile IPOs acting as a co-underwriter in Acwa Power's USD 1.2 billion landmark IPO and Al Arabia's SAR [1.5] billion IPO. Albilad Capital was also mandated as a financial advisor, lead manager, and underwriter for the main market IPO, which is scheduled to launch in 2022 (subject to CMA approval). The strategic and M&A advisory business also actively assisted our clients on several strategic projects and M&A transactions as the year closed.

Asset Management

Our asset management division delivered a strong performance in 2021, launching Albilad UK Income Opportunities in March and the Albilad diversified SAR fund in June. Capital market assets under management (AUM) grew by more than 31% by year-end, reaching SAR 5.9 billion. Asset management received the Excellence Award (Islamic Asset Management) 2021 from (GIFA) and we were the first financial institution to enter into a partnership with the Tourism Development Fund for a mega tourism development in Saudi Arabia worth SAR 1.6 Bn.

Securities Services

After setting itself ambitious targets for 2021, the Company's Securities Services achieved 35% growth YoY, while assets under custody increased by 11% to reach SAR 150 billion over the same period. In 2021 we invested in building our team and upgrading our technologies, which are the two main pillars of the business's growth strategy. These investments leave us well-positioned for 2022 and beyond.

Brokerage

Albilad Capital's brokerage division saw significant growth across all metrics in 2021, including a 21.5% increase in trading turnover and

commission revenues up by 8.7%, whilst market share remained stable. Margin Lending Revenue also saw significant growth in 2021, rising by 118.5% YoY.

As the year drew to a close, significant progress had been made in the development of brokerage services and operational capabilities. The new International Brokerage desk and platform is well positioned to be launched in 2022, allowing traders to participate in the Saudi market using the latest technologies and tools, and in December the Capital Market Authority approved our request to offer Albilad MSCI US Equity ETF units on the Saudi Stock

Exchange (Tadawul) as an Exchange Traded Fund. IVR trading was also added as an additional trading channel and enhancements were made to the trading platform.

Covid-19 Impact and Response

Whilst the impact of Covid-19 was widespread across the economy, Bank Albilad's already extensive digital transformation left it well placed to adapt with speed and agility to ensure that customer services continued uninterrupted throughout 2020 and into 2021.

The emergence and deployment of additional innovative digital solutions during the year enabled the Bank to leverage pent-up demand across the economy as it recovered in 2021, accelerating customer acquisition, and pivoting towards market segments less affected by the pandemic.

This approach has been fundamental in our approach to increasing market share and to deepening our relationships with our existing clients through cross-sell strategies that further enhance the customer experience. Additionally, the accelerated nature of the Bank's digital transformation throughout the pandemic

allowed us to deliver even more for our customers with the highly successful launch of the new Injaz app, which was very well received by Injaz customers in 2021.

The challenges of Covid-19 also provided the Bank with new opportunities to realize operational efficiencies throughout the year, allowing for the streamlining of functions such as call centers that are not dictated by geography.

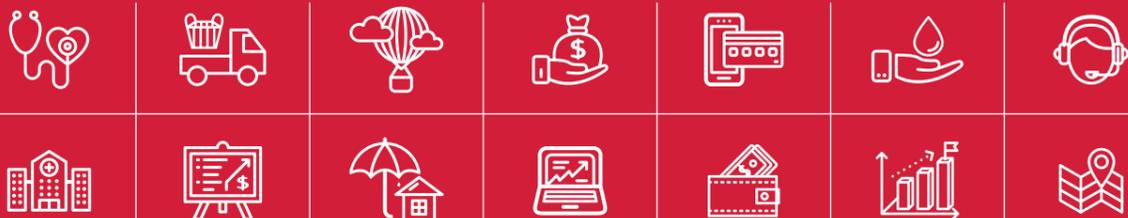
Future Readiness

It is clear that the long-term impact of Covid-19 on the global economy is currently playing out in the form of rising inflation, supply chain constraints, a

tapering of asset purchases, and the likely easing of monetary policy by central banks. These dynamics may apply significant pressure on fixed-income investors – however, equity markets are likely to remain a preferred focus due to the continued availability of low-cost liquidity.

The Bank has made great progress in equipping itself with the tools it needs to sustain growth over the coming period thanks to the strength of its digital platforms and products, its deep-rooted customer relationships, a cautious approach to market segmentation, and strong capital position.

The challenges of Covid-19 also provided the Bank with new opportunities to realize operational efficiencies throughout the year, allowing for the streamlining of functions such as call centers that are not dictated by geography.



Digital Transformation and Innovation

As part of our broader commitment to enabling the digital economy, we set out to help customers across all business verticals engage in digital banking alternatives.



By widening access to its rapidly expanding suite of digital services and products, the Bank made significant progress in enhancing the value proposition it offers to its clients, employees, shareholders, and the communities it served in 2021. Collectively, these transformations helped the Bank deliver dynamic, sustainable growth for the good of all its stakeholders.

Having launched digital account opening capabilities in 2018, the Bank brought forward further digital enhancements in 2021, making it even easier and faster for customers to open an account with Bank Albilad. Current accounts can be opened within 3 minutes from anywhere, after which deposits, transfers, and financial products can all be managed online. This is where the next-generation digital customer journey begins.

New Solutions

The customer experience was further enhanced in 2021 by launching new digital savings accounts that offer different commissions across different channels. The Bank also set out to invest in a range of new digital investment solutions and products in conjunction with its fintech partners in 2021.

As part of our broader commitment to enabling the digital economy, we set out to help customers across all business verticals engage in digital banking alternatives. The Bank introduced NFC (near-field communications) capabilities at its ATMs, allowing customers to deposit and withdraw cash without inserting their cards. The digitization of the ATM experience is an integral part of the Bank's migratory transition program as it brings customers over to the benefits of participating in the digital economy.

During the year, we opened several new corridors for use with our TRANSFAST international transfer service, attainable through the Enjaz App and new Instant Payment Systems (IPS) that deliver instant payments within the country. As the year closed, Bank Albilad's open banking platform was also in development, paving the way for new and creative collaborations across the fintech ecosystem.

Serving our SMEs

In line with the Bank's commitment to supporting SME development and broader economic activity – critical planks of Saudi Vision 2030 – several new digital solutions were created and launched for corporates in 2021. E-document issuance and documentation services can now be validated through the website. A new digital invoicing system called Esal was also rolled out, enabling both retail and corporate customers to issue digital invoices through the Bank's platforms.

The Bank also deployed electronic bulk deposit machines to help traders whose customers continue to be cash-reliant to make the digital leap. This is an essential bridging solution for merchants that are steadily migrating to digital banking. The machines, which are on-premises, accept bulk cash deposits that are instantly credited to the merchant's business bank account for digital use at the end of each day. Merchants and SMEs can also apply for point-of-sale (POS) terminals online without visiting a branch.

Sustained Adoption

In total, 73% of new retail accounts were opened digitally in 2021 - compared to 68% in 2020 - representing new bank accounts by year-end. When combined digital and non-digital onboarding, the Bank has tripled the number of opened accounts.

Year-end metrics show that a record number of customers, old and new, had enthusiastically embraced new Bank Albilad digital services in 2021. Enjaz extended its digital services by developing and deploying new digital card and remittance payment solutions. The Enjaz banking application was downloaded more than 1.5 million times, and 50% of all Enjaz transactions were carried out through digital channels. The adoption of the new Enjaz digital wallet continued to grow in 2021, enabling multiple branch transactions to take place digitally.

Dynamic Development

The pace of digital innovation will continue to gather pace in 2022 as we look to leverage technologies as our primary driver of sustainable growth. We will do this through a mix of in-house innovation and collaboration with external partners through our open banking platform. Partnerships will become increasingly important in building unique and quickly adaptable digital platforms, and solutions as the Bank pivots towards focusing on the many longer-term opportunities inherent within Banking as a Service (BaaS).

BaaS is an essential strategic lever for the Bank as the financial services sector evolves in tandem with the evolution of the digital economy. We expect, therefore, to see continued CAPEX investment in critical digital and technology solutions that enhance the customer journey and equip the Bank with the tools it needs to future-proof its operations.



In the Spotlight: Our Case Studies

Pay with Apple Pay

Bank Albilad wanted to improve its customer experience by incorporating the Apple Pay payment method into its Enjaz application, for more convenient and frequent payments by Enjaz and BAB customers. The Bank ensured the application is technically equipped to accommodate Apple Pay as a primary payment method, as opposed to requiring manual card detail entry. The Digital team collaborated closely with the Enjaz team and Payments team to deliver the project within the stipulated time. As a result, the new feature enabled the Enjaz application to provide faster, easier and more secure payments methods for its customers, as well keeping up with the latest technology to stay competitive.

Mukafaat Enjaz

The Enjaz business wanted to deepen customer relationships and increase trust by implementing a loyalty program in EMB. The initiative was aimed to retain existing customers, increase customer lifetime value and express appreciation for their loyalty towards the brand. The Digital team, Enjaz team and Cards team joined forces to create and implement a points system-based loyalty program where customers can win exciting rewards when they use the Enjaz app. The customers can then redeem these points to access the Mukafaat Enjaz. As a result, the initiative incentivized Enjaz users to use their cards more frequently and ultimately increased transaction numbers.

Currency Calculators for all International Remittances

As the Bank was evolving its ways of completing transactions, the Enjaz business wanted to optimize its user experience for customers and meet their needs in understanding the exchange rate, fee amount, amount in local or beneficiary currency and the total amount that will pay in order to compare the prices in the market. The solution was to add a currency calculator feature for all remittances including Western Union, TransFast, Enjaz Easy and Swift that enabled the Bank's customers and Enjaz's customers to calculate the currency rate before making a transaction. The joint effort between the Digital & Enjaz teams and Enjaz customers can easily calculate the detailed of the transaction without having to do an actual transaction.

Leading Innovative Digital Bank Digital Banking Growth

Albilad Digital Channels

94%

of eligible customers are registered on Digital Channels

61%

of registered customers are active

63 ↑%

increase in transactions volume on Albilad Mobile App compared to 2020

29 ↑%

increase in Albilad Mobile Application users compared to 2020

3 ↑%

increase in ATM deposits compared to 2020

Digital Accounts

73%

Digital accounts to total opened accounts in 2020

20 ↑%

increase in Digital Account Opening in 2021

67 ↑%

increase in digital accounts deposits compared to 2020

58 %

of newly acquired customers are using only Virtual mada Card since product inception

Enjaz Digital Banking

+1.5M

Downloads for Enjaz application

50%

Enjaz transactions done through Digital Channels

Our People

The HR division focused on increasing resilience, driving productivity, innovation, and customer centricity, in addition to further strengthen human potential and engagement in 2021.



As part of its empowerment agenda, the Bank also actively set out to enhance its gender balance ratio, which has grown year on year with a consistent focus on attracting the most talented women in our industry sector.



 **5,000**

Training opportunities during the year

 **2,570**

Employees completing the training certificates

The HR division focused on increasing resilience, driving productivity, innovation, and customer centricity, in addition to further strengthen human potential and engagement in 2021.

With sustained efforts for all divisions, the Bank has achieved the highest tier in Saudization. Building on our philosophy of human capital development, training infrastructure was leveraged to fulfil multitude of training needs in diverse functional areas to improve skills and competencies of our ambassadors at all levels. Key areas of training delivery during the year included Management and Leadership, Customer service, Relationship management, Treasury, Finance, Credit risk and Retail, including a big focus on product knowledge to enhance selling and cross selling.

HR activities also focussed on supporting Albilad ongoing business transformation strategic direction through digitalization programs that spread the awareness of the digital era at all levels of staff. Remote working project has established its foundations and put into action. The plan also included innovative designs such as outworld bound team building activities to revitalize employee morale and engagement post pandemic. The training plan during the year resulted in 4,621 training opportunities with 2,570 employees completing the mandatory training certificates requested by the Saudi Central Bank in retail banking foundation & credit advisory for the retail banking staff in addition to the currency exchange certificate for enjaz division staff.

As part of its empowerment agenda, the Bank also actively set out to enhance its gender balance ratio, which has grown year on year with

a consistent focus on attracting the most talented women in our industry sector.

Talent development has remained top priority as before focussing on talent acquisition and development with rolling out of two key interventions namely Advanced Ambassador Program which is a platform to identify, harness and develop long term potential amongst the most talented, high performing staff and facilitate their career progression into senior positions, including modular training with renowned international business schools. The second most important talent intervention is Albilad Future program, an employee brand for acquiring bright young talent on a 15 month's rigorous development journey that prepares them for a long-term career. 2021 witnessed enrolment of 2 batches with 48 trainees that included female trainees for the first time.

Sustained efforts in Human Resources have resulted in the improvement of business results of the bank, better customer experience, employee satisfaction as well as career progression of the ambassadors.

Moving forward, HR focus during 2022 will continue to improve motivation, empowerment, innovation, and enablement. We will further demonstrate our role as an employer of choice for new ambassadors with our belief in an innovative work environment as a foundation for success for all divisions. The Bank will also conduct a new compensation and grading structure review in 2022 in the context of an increasingly competitive talent market across both public and private sectors.

A primary part of the nature of a bank's businesses to be exposed to risks. To avoid them, these risks are monitored and managed by the Risk Management Group in the bank which is responsible for managing credit risks, market risks, operational risks, and information security risks. And abiding by the requirements of Saudi Central Bank and Basel Committee.

A full description of these risks is found in the representations attached to the consolidated financial statements notes from 29 to 34 considering them complements to the report of the Board of Directors. Below is a short summary of these risks:

Such risks are monitored and managed through the Bank's Risk Management Group, whose tasks include managing a range of risks, as well as ensuring compliance with the requirements of the Saudi Central Bank (SAMA) and the Basel Committee. A full description of the mentioned risks is found in the representations attached to the Consolidated Financial Statements notes 29 to 34, which forms part of the Board of Directors' report. Below is a short summary of these risks:

Throughout 2021, the Risk Management Group continued to focus on improving the effectiveness of its risk management system, while implementing best practices to ensure that the Bank's activities maintain the right balance between achieved returns and expected risks.

The Group's framework is based on 3 key pillars, namely the sound principles of risk management, the organizational structure and risk measurement and monitoring. These practices should align with the banking activities to ensure that risks are maintained at an acceptable level. The Risk Management Group operates separately and independently from the Bank's other business groups and divisions, in line with SAMA's guidelines and Basel Committee's requirements.

The Bank implements frameworks to identify, measure, monitor and manage risks, covering credit risk, market

risk, liquidity risk, operational risk and information security. The Bank regularly reviews the policies and systems of risk management, and keeps up with market and product changes, in order to adopt and implement best international banking practices.

1. Credit Risk:

Credit risk is one of the key risks to which the Bank is exposed, mainly through financing and investment activities. Managing credit risks involves multiple units that operate under a unified system in accordance with approved credit policies and procedures.

a. Measurement of Credit Risk Degree:

The Bank measures the degree of credit risk to identify the qualitative and quantitative amounts of risk to which it might be exposed, and to determine the degree of credit risks to which the Bank is actually exposed. The Bank employs an advanced system for the internal assessment of the degree of credit risk to which corporate banking, retail banking, financial institution clients, corporations and small and medium enterprise clients may present. This assessment helps measure the probability of default, the volume of projected default and the likely amount of losses resulting from such default. To ensure a more accurate and fair assessment of risk degree, the Bank continues to improve its assessment methods and applies a different assessment methodology. Additionally, the Bank has put in place a system to measure the level of risk for retail banking clients.

b. Credit Risk Mitigation and Control:

The Bank employs several methods of assessment aimed at mitigating the degree of credit risk within reasonable levels. Such methods include analyzing future data in order to measure the client's ability to meet financing obligations. Credit approvals in such cases are issued by

several levels and several credit committees composed of Bank executives, or by Board-level committees. The approval depends on the degree of credit risk, potential credit loss and the total volume of credit facilities provided to each client depending on the credit authority matrix.

In addition to these measures, the Bank requires clients to provide such reasonable collateral as is deemed necessary against the facilities to be provided. There are many types of collateral against facilities, such as cash coverage, mortgage against investments and assets for the Bank, mortgage of commercial and residential real estate assets, acknowledge assignment of project proceeds in certain instances of project financing, as well as requiring financial, personal or third-party guarantees against the facilities. Guarantees under a sponsor guarantee program for the financing of small and medium enterprises (SMEs) should be collected as long as the program's terms are met. However, financing for individuals is on the basis of approved program criteria that involve specific credit standards to be met.

This type of financing also requires that the credit portfolio involves no concentration of credit risk, as well as the conformity of credit exposure levels with relevant established controls, be it exposure to a certain entity or a specific sector or activity.

c. Monitoring and Reporting:

The Bank, at minimum, conducts a comprehensive annual credit review of the financial and credit positions of all clients who are financed through corporate and retail banking services. This review ensures that the client's status, and their financing needs, is sustainable and that the smooth functioning of credit relations with them remain viable. The Bank also conducts reviews that involve regular visits to financed clients throughout the year. The Bank also measures and monitors early warning signs for its clients on a periodical basis to ensure the safety of their credit position.

High credit risk corporate clients are categorized as clients who require special attention. Their credit exposure is closely and carefully monitored and reviewed bi-annually in order to properly mitigate the risk exposure. On the other hand, the Bank conducts comprehensive monitoring of the portfolio of retail banking clients who have obtained credit facilities for consumer purposes and credit cards. This involves the evaluation of established standards for each segment in the portfolio independently.

The Bank calculates the appropriate level of credit provisions in its records and financial statements in accordance with recognized international financial standards for accounts that may incur losses. This measure is adopted when there are indications that circumstances exist which may affect the expected cash flow of these assets or investments and that such provisions are required. The Bank also reviews the inputs and assumptions employed to specify expected credit losses such as adjusting the factors/inputs of the macroeconomy that the bank uses in the form of expected credit losses including missing payment rates taking into consideration the economic changes that are the result of Corona virus (Covid-19) impact.

The Bank also prepares a comprehensive monthly status report for its portfolio, analyzing the concentration of credit exposure, and comparing it with approved percentages. This report is submitted for the Bank's Senior Management's review and supervision.

2. Market Risk:

Market risks are among the key risks to which bank activities are exposed, where fluctuations in price, profit margin rates and foreign exchange rates lead to negative outcomes and may consequently result in losses for the Bank. Additionally, the sudden and significant change in these rates may affect the Bank's liquidity position as well as its financing ability. Market risk involves several main risks to which the Bank is exposed, including:

Profit Rate Risk:

Known as the potential impact on the Bank's profitability due to fluctuations in market return rates. These changes often occur as a result of overall market activity, or due to specific reasons affecting the borrower.

Foreign Exchange Risk:

The risk resulting from Exchange rate fluctuations, which impacts both the Bank's profitability and shareholder rights and exposes the Bank to increased risk.

Managing the Bank's market risk:

Is generally based on monitoring market risk exposure to increase return within the limits of approved market risk policies, as well as within the Bank's acceptable risk levels.

Risk Management (continued)

The Bank is Exposed to Market Risks from the Following Sources:

Trading portfolios:

Risk exposure in the case of foreign exchange trading portfolios arising from meeting the Bank's and clients' requirements for foreign exchange.

Non-Trading Portfolios:

Risk exposure in the case of non-trading portfolios mainly occurs due to non-conformity of assets and their maturity dates with the maturity dates of liabilities. It also occurs due to the impact of rate fluctuations upon re-investment.

3. Liquidity Risk:

Considered one of the most critical risks to which the banking sector in general as well as individual banks could be exposed, liquidity risk takes into consideration the Bank's potential inability to meet financing requirements at reasonable cost (liquidity financing risk) or its inability to liquidate its position reasonably quickly while maintaining an appropriate price level (market liquidity risk).

Market and Liquidity Risk Governance:

Managing market risks helps to place limits as well as monitor compliance by implementing policies and controls that are approved and adopted by the Board of Directors. The Assets and Liabilities Committee is responsible for managing market risks on a strategic level in accordance with its delegated duties and responsibilities. Additionally, portfolio and product limitations, as well as risk types, are identified based on the levels of market liquidity and associated credit risks.

The Market Risk Management sector is categorized as an independent supervisory function, responsible for a range of activities. These include:

The effective implementation of market risk policies; the development of the Bank's market risk management techniques and methods; the development of measurement mechanisms and behavioral assumptions of liquidity and investment; the immediate reporting to Senior Management of any violation of established limits and controls in accordance with the approved procedure and adopted by the Board; reporting to the Assets and Liabilities Committee and the Board, of any exposure to market risks and limit violations.

In order to limit exposure to liquidity risk, the Bank seeks to diversify financing sources to help reduce the degree of concentration and maintain an acceptable level of liquid assets. The Bank also puts in place policies

and standards aimed at managing liquidity risks, and develops a contingency plan in accordance with the Basel Committee's best practices regarding liquidity risk management. A regular review of liquidity risk management policies and measures is subject to the approval of the Assets and Liabilities Committee and the Board of Directors.

Moreover, additional controls and measures often help maintain market risk exposure within an acceptable level of readiness in the case of adverse events. These measures include stress tests. Stress testing on a regular basis helps identify the impact of fluctuating profit rates and foreign exchange rates, as well as other risk factors that affect the Bank's profitability, capital adequacy and liquidity. These results are periodically sent to the Executive Management and the Board of Directors for their assessment of the potential financial impact on the Bank's profitability of exceptional circumstances. Over the course of 2021, the Risk Management Group successfully improved the performance of IT systems that help measure liquidity and Market risks and manage assets and liabilities, as well carried out relevant studies, reports and stress tests as part of a comprehensive system developed to measure market and liquidity risks.

4. Operational Risk:

Operational risk is the risk of losses arising from the inadequacy or failure of internal operations, individuals, technical systems or external incidents. This definition of Operational risks includes legal risk – but excludes strategic risk and reputation risk. To this end, Operational risk is an inherent risk in all the Bank's products, activities, operations and technical systems, resulting from internal factors, unlike credit and market risks, which arise from external factors. Taking these aspects into consideration, the Bank adopts a strategy based on the active and effective involvement of its Executive Management in managing this type of risk, which can potentially affect the Bank's various activities. As part of its continuous efforts to limit the effects of operating risk, and consequently help achieve its strategic objectives, the Bank adopts the following practices:

- i) Analysis and evaluation of objectives and activities, in order to better limit exposure to operating risk
- ii) Identification of potential Operational risk in existing and new products, services as well as in IT activities, operations and systems. This is achieved primarily through measuring operational risk in order to identify any potential gap that may lead to operational losses, and developing corrective measures to prevent future losses. It also involves

evaluating risks inherent in the Bank's various activities, as well as monitoring elements in place to manage these risks. Collecting data for key risks indicators to monitor exposure levels of Operational risks. These indicators act as an early warning indicators before the risk occurs.

- iii) A proactive approach to operating risk management.
- iv) Continuous and independent assessment of policies, procedures and Bank performance.
- v) Compliance with the guidelines and regulations issued by regulatory bodies as well as international standards of risk management.
- vi) Regular reporting to the Bank's Executive Management and Board of Directors about risk assessment and operating losses, as well as corrective measures put in place to manage the risks.

6. Information Security Risk:

In view of the increased reliance on information and telecommunication technologies, there is an increased risk, both emerging and potential, that could critically threaten companies' networks and information security. The Bank's Information Security Department is responsible for supporting the growth of the Bank's IT capability by mitigating information technology risks. This is achieved by applying information security standards within the organization, which include Availability, Integration and Confidentiality. These efforts go hand in hand with a continuous evaluation of risks to ensure increasing security in all tech-related services and technologies adopted by the Bank in order to service its client base. Evaluating information security risks includes the following steps:

- i. Evaluating any new services, technological projects or changes adopted by the Bank in its efforts to improve e-services.
- ii. Evaluating the level of response to cyber security incidents periodically to ensure the effectiveness of the procedure.
- iii. Evaluating and detecting security Vulnerabilities within the Bank's offering, by looking for any gaps and testing for breaches existing in highly sensitive data systems, which may occur due to the digital transformation within the organization.
- iv. Periodically evaluating risks targeted at business and IT divisions to detect any vulnerabilities or risks related to security in the procedures or regulations of security systems.
- v. Overseeing the implementation of compliance with relevant regulations, making sure cyber security controls are properly and adequately implemented.

Business Continuity

The Bank recognizes the criticality of business continuity and has a robust Business Continuity Plan (BCP) to enable it to respond to any serious and/or disruptive incident in a timely and appropriate manner. During 2021, two comprehensive tests were carried out to ensure the effectiveness of the Plan. In addition, a continuous ten-day recovery test was conducted on all mission-critical IT operations by switching them over to the Bank's Disaster Recovery Centre (DRC). The Bank will continue to upgrade its disaster recovery capabilities, as well as provide ongoing training specific to business continuity, to ensure its optimum response capability in the event of a major incident. The Bank has already established a new BCAS.

Compliance and Anti Financial Crime

Bank Albilad considers that compliance with regulations, standards and instructions issued by the regulatory and supervisory authorities is one of the most important success factors of the bank and maintains its reputation and credibility and the interests of shareholders and depositors, as well as providing protection against regulatory and legal penalties. And it is on the top priority of the bank.

Compliance and Anti Financial Crime Division Role

Compliance is an independent function that identifies, assesses and monitors non-compliance risks, provides advice and consultation, and reports on compliance issues, with the objective of protecting the bank and its ambassadors from being exposed to regulatory or administrative penalties, financial losses, or loss of reputation that occur as a result of failure to comply with regulations, instructions, controls and the code of principles and rules of professional and ethical conduct.

The Compliance and Anti Financial Crime Division ensures that all the bank's policies, manuals and procedures comply with regulations and instructions issued by the regulatory and supervisory authorities as well as ensures the proper implementation of these policies, manuals and procedures in the bank.

Compliance and Anti Financial Crimes Division has several general roles and responsibilities. Following are Some of the specific functions fall under the Division:

- Anti-Money Laundering, Combat of terrorist financing and Preventing Proliferation and Combating Commercial Concealment
- Combat Financial Fraud and Financial Crimes
- Providing advisory and support to all administrative units

Risk Management (continued)

- Anti-corruption and whistleblowing
- Identify, analyze and assess the risks of non-compliance related to the bank's customers, services, products, geographical areas, delivery channels, and setting appropriate controls and standards.
- Strengthen relations with regulatory and supervisory authority
- Training and awareness
- Report on non-compliance issues and provide recommendations related to the processes of resolving those issues

Monitor and Evaluate The Effectiveness of Implementing Regulations and Instructions

The Compliance and Anti Financial Crimes Division is responsible for ensuring that the Bank's policies, directives, procedures, products and services are in line with the regulations and instructions issued by the regulatory and legislative bodies and monitoring the effectiveness of the proper implementation of these policies, directives and procedures.

Compliance Initiatives

Bank Albilad aims to enhance the culture of its employees and the community related to compliance and anti-financial crimes.

One of the Compliance and Anti Financial Crime Division functions is to organize the education and awareness of staff on compliance and anti-financial crimes subjects. The Bank continuously conducts training on compliance, including compliance, AML&CTF and anti-financial fraud and corruption training to all the Bank's Ambassadors to enhance their knowledge of all relevant compliance regulations, and to develop their skills and capabilities

in the compliance area, in addition to the specialized training to Compliance and Anti Financial Crime Division employees, online courses to the Bank's employees, and training for new hires which emphasizes compliance and anti-financial crimes. Further, our compliance and anti-financial crimes training extends to the Board of Directors where we concentrate on enhancing the board members knowledge related to relevant rules and regulations.

In addition, the Compliance and Anti Financial Crime Division organize community awareness initiatives in cooperation with universities to provide awareness lectures to students.

Bank Albilad is committed to follow the rules and regulations to protect the Bank and its customers from risks. Documents have been prepared for the Bank's employees on the appropriate implementation of compliance regulations, rules, and standards through policies and procedures and other documents such as compliance manual and internal rules.

Human Resources Policy

The Bank's compliance with rules, laws and regulations, is one of the most important bases and factors of its success, excellence and maintenance of its reputation and credibility. It is obligatory, therefore, that all the Bank's staff are committed to recognize the importance of compliance with regulations, instructions and policies related to the bank's business and the tasks assigned thereto, and apply them without any violation, breach or negligence.



The Bank recognizes that it has a responsibility to multiple stakeholders and that the impact it has on them has implications far beyond the corporate imperative for profit. Our role as a responsible corporation is to not only 'do no harm' - but to positively impact those parts of society and the natural world where we operate.



Home Restoration

volunteers
1,206

It is with this mindset that Bank Albilad approached its corporate responsibility strategy in 2021, with a clear shift towards adopting a more sophisticated form of environment, social, and governance measurement and reporting protocols. When we understand the impact that our ESG work has, we gain visibility on what works and what doesn't. Moreover, we gain the ability to finesse what we do and adapt how we operate in real-time to ensure that we are doing our very best, every day, to deliver sustainable and meaningful value creation.

Environment

Internally the Bank made significant changes to how it uses power in 2021, with a shift to solar on-site power generation for its operations. The Albilad ambassadors Council was created in 2021 - a body elected by the employees that are responsible for social engagement and responsibility programs, environmental campaigns, and more. In 2021 examples of its work include a decision to plant more than 3,000 indigenous trees in the Wadi Al-Qurainah to the north west of Riyadh.

The Bank's environmental activities in 2021 succeeded in a direct reduction in its CO2 emissions of 194 tons over the year. The scale of our office solar energy system in Riyadh now reaches 1,743 m2 and we have saved more than 80,000 liters of fuel by the close of the year. Looking ahead, the Bank will continue to optimize its resources, extend its recycling facilities, expand its afforestation activities and continue to raise awareness of environmental responsibility across the workforce.

Through the Bank Albilad plastic and paper recycling program recycling containers have been distributed to all floors in the head office building at Bank Albilad Tower in Riyadh. In 2021, a total of 2,536 kg of waste was recycled, saving the equivalent of 42 trees, 17.7 gallons of water and more than 10 tons of CO2.

Social

As a bank, an employer, and a provider of financial services and solutions, we must understand the impact that our operations have on individuals, families, and the communities where we operate. It is also incumbent upon us as a profession to utilize our expertise and services to provide help where it may be needed. The pressing issue of homeownership is one such issue

that was addressed by the Bank in 2021.

Affordable Housing Solutions

The appetite for homeownership among Saudis continues to grow, thanks in part to government initiatives that set out to increase homeownership, with a national goal of 70% by 2030. According to the General Authority for Statistics, 67% of Saudis are under the age of 35 and would be joining the search for housing solutions in the next few years. This provides our Retail Banking unit with enormous opportunities to add value.

To further support the Saudi housing market, the Bank's partnerships with the Ministry of Housing and the government's Real Estate Development Fund (REDF) continued to help widen access to affordable home purchase solutions in 2021. Products include subsidized profit products for ready units, self-construction, off-plan, land and self-construction, and equity release. Down payment solutions are also available for advance subsidies and 5% down payments. The Bank also signed a cooperation agreement between Bank Albilad and King Khalid University to finance students with a profit margin of 0%.

Through the creation of its new House Savings Initiative in 2021, the Bank set out to engender and promote a culture of saving money for the building and buying of homes - an important contribution to the Kingdom's Vision 2030 for financial awareness and savings. The initiative also aims to correct misconceptions about lifestyle in the construction field, and in cooperation with the Ministry of Housing.

In 2021, more than 38 ministries, authorities, universities, schools and private sector businesses benefitted from the program, which has reached more than 120,000 people.



Total waste recycled

kilograms
2,536

Sustainability (continued)

Projects included discussion sessions with leaders and experts in the field of finance, the creation of awareness cartoons and virtual meetings. The Bank's new Home Restoration Initiative, which saw 1,206 volunteers give up 7,336 hours on restoring more than 100 homes and delivering an economic return of SAR 347,503.

Community Outreach

As one of the Kingdom's leading banks, we recognize the importance of supporting the community beyond the provision of banking services. This springs from a belief that the creation of long-term value is achieved through closer and deeper relations that serve to bind the Bank to the wider community.

The Bank's employees were actively encouraged to participate in community programs in 2021, with male and female employees volunteering in specialized fields such as accounting and information technology to help non-profit organizations. Additionally, the Bank participated in the donation campaign for the Ihsan platform during the Holy month of Ramadan, raising one million Riyals. The platform sets out to strengthen the Kingdom's position as a world leader in charitable giving by supporting the efforts of donors and philanthropists, reducing the difficulties in making bank transfers to non-profit bodies and organizing payment portals.

During the Holy month of Ramadan, the Bank launched a free of charge international money transfer service through its electronic channels to all its customers, in addition to providing 8,000 food baskets for the less well off in the communities where we operate. The Bank also supported the food bank charity, the Mashkor Association in 2021.

Autism Center of Excellence

The Bank contributed to the establishment of Autism Center of Excellence in Riyadh, at a cost of 286 million Saudi riyals, in partnership with the Ministry of Human Resources and Social Development and a group of Saudi banks. The Center aims to develop national capabilities in the field of autism and support the specialized research and studies in this regard.

Empowerment of Disabled Persons

The Bank contributed to launch a number of automated teller machines (ATMs) to meet the needs of customers with disabilities in all its branches in the Kingdom in partnership with the Authority for Persons with Disabilities (APD). ATMs are equipped with a voice user interface that allows people with disabilities to conduct their financial transactions in easy, quick and safe manner, and with complete privacy. The Bank also provided its forms in Braille for persons with disabilities in all bank branches, as well as launching awareness videos for persons with disabilities in sign language about the Bank's products and services.

Healthcare

The Bank opened a number of its Injaz branches for use by the Ministry of Health as vaccination centers in 2021, which enabled more than 4,000 people to receive a vaccination without having to book an appointment. In addition, the Bank's 'Albilad Gathering' program continued online, providing sessions on how to keep physically and mentally well during the pandemic. We also developed and distributed guidance on working from home best practices and procedures and health and safety for those who continued to work in offices and branches.

The Bank continued its annual drive to encourage blood donation in 2021 by cooperating with the first health gathering in Riyadh in February and through the support of a blood donation campaign at the King Faisal Specialist Hospital in October. In addition, the Bank supported the development of the gastroenterology center unit at Al-Rass General Hospital which serves six hospitals, 109 health centers and 250 villages.

Governance

The way that the Bank is governed affects all of its stakeholders, from the employee to the shareholder. Our goal as an employer is to align the employee experience with our wider ESG goals and to ensure that every member of staff at Bank Albilad is a fully-engaged part of a high-performing workforce. It is through the development of new and exciting employee engagement programs that we can nurture careers, maximize productivity, reduce employee turnover and improve customer retention.

Addressing the needs of the individual employee, we sought to enhance talent management strategies at the branch level in 2021, enabling corporate HQ to gain visibility on specific talent and skillsets within branches. This work enables us to create training solutions that meet the needs of the employee and the specific branch.

Through this process, the Bank now has a much smarter, and more granular understanding of skills capacity and opportunities for development right across the business. We remain committed to nurturing all talent, at every level and in every corner of the business, from the branch to the corporate HQ. It is also at the level of the individual employee that we set out

to empower women in the workplace and by the close of 2021 the gender balance had improved compared to previous years with a consistent focus on attracting the most talented women in our industry sector.

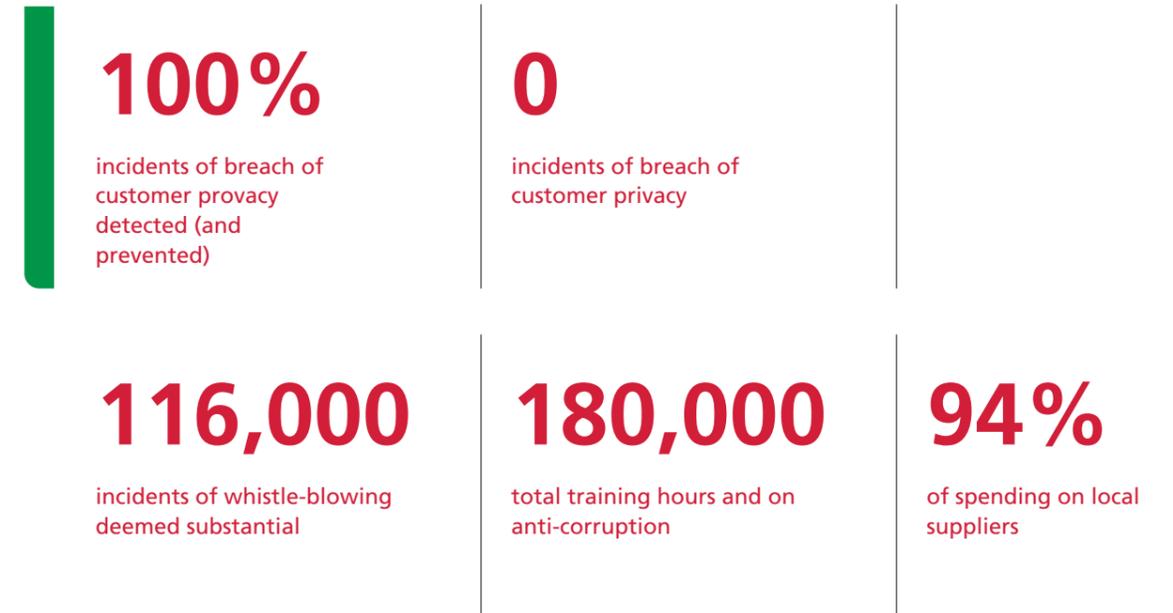
The Bank's strong governance practices were recognized in 2021 through the award of the Excellence Award in Corporate Governance Index.

Our ESG Journey

As we look ahead to building upon our dynamic ESG strategy we

recognize that alongside the growth of ESG principles there is also a fast-growing interest in Islamic finance because of its inherent ethical code. As we progress through 2021, we will meet the expectations of the investor community and all our customers to comply with all legislative changes and requirements, maintain strong relationships with regulators, maintain full transparency and communication, manage asset quality and impairments, manage costs and improve the Bank's cost-to-income ratio.

The Bank is committed to enhancing all of its ESG activities in 2022 to ensure that we continue to make a positive, lasting, and meaningful impact on our employees, our partners and suppliers, investors, our shareholders, and the communities we serve.



Sustainability (continued)

Operating Responsibly

At Bank Albilad, responsible operation is a part of the fabric of who we are, the prosperity of our stakeholders and our reputation. The Bank remains committed to ensuring that it operates responsibly and ethically. We focus on 5 areas that ensure detailed policies, practices and disclosures help to hold our businesses to account.

a. Cyber Security and the Protection of Customer Data

The security of customers' personal details is the Bank's highest priority. Recognizing the importance of

safeguarding data and money, Bank Albilad uses a robust framework supported by systems that prevent fraud and detect fraudulent behavior in real time. The cyber security programmes are supported by policies and procedures that are championed by our management and Board risk governance.

Cyber threats are monitored and reviewed at regular intervals to ensure we maintain our world-class protection. This is done through internal and external audits that evaluate the adequacy of our security controls, and independent

third-party testing to identify any security gaps that can be further enhanced. We are continuously improving our cyber defenses by using advanced technology as demonstrated by our strong performance in customer privacy issues – and training of staff to deal with potential risks and threats.

b. Financial Inclusion

By serving underbanked individuals and MSMEs, we believe that we can benefit society and still improve our bottom line. We do this through

bringing financial literacy and technological education to remote areas across the Kingdom and providing affordable products and services to individuals and businesses that are excluded from traditional banking.

c. Business Ethics

Our strong business ethics are the foundation for our relationships with our stakeholders – and a cornerstone of our business practices. The Bank is proud of its commitment to developing a culture that complies with the highest ethical and legal standards – and we

integrate these values into the ways we hire, procure, recognize and conduct financial transactions. Engagement with suppliers is guided by our Supplier Selection Procedures, which set out our expectations of vendors on issues such as ethics, anti-bribery and anti-corruption, human rights and environmental performance.

d. Corporate Governance

We operate against a background of increased regulatory focus on governance and risk management. The most significant challenges arise from ensuring that the Bank

continues to demonstrate compliance with the requirements of regulators, shareholders' rights and the Board. Bank Albilad ensures strong governance is executed through an effective, well-established governance process, supported by independent credit risk oversight and assurance. Our experienced Board of Directors ensures that a robust governance framework and a strong culture of ownership and accountability enables clear accountability for decisions and results.



CORPORATE GOVERNANCE





Mr. Nasser Mohammed AlSubaei
Chairman – Non-executive member



Mr. Fahad Abdullah Bindekhayel
Vice Chairman – Non-executive Member



Dr. Zeyad Othman Alhekail
Independent Member



Mr. Sameer Omar Baeisa
Independent Member



Mr. Khalid Abdulaziz AlMukairin
Non-Executive Member



Mr. Adeeb Mohammed Abanumai
Independent Member



Mr. Khalid Abdulrahman AlRajhi
Non-Executive Member



Mr. Haytham Sulaiman AlSuhaimi
Non-Executive Member



Mr. Ahmed Abdulrahman Alhussan
Non-Executive Member



Mr. Abdulaziz Mohammed AlOnaizan
Executive Member – Chief Executive Officer

Executive Management



Mr. Abdulaziz Mohammed AlOnaizan
Chief Executive Officer



Mr. Saleh Suliman AlHabib
Executive Vice President of Operations



Mr. Abdullah Mohammed Alarifi
Executive Vice President of Risk



Hisham Ali AlAkil
Executive Vice President of Finance



Mr. Samer Mohammed Farhoud
Executive Vice President of Treasury



Mr. Omar Abdul Rahman AlHussain
Executive Vice President of Retail Banking



Mr. Jameel Nayef Alhamdan
Executive Vice President of Corporate Banking



Mr. Khalid Hassan Alzain
Executive Vice President of Enjaz



Haitham Medainy AlMedainy
Executive Vice President of Human Resources

Governance

Led by its Board of Directors, Bank Albilad is committed to enhancing the continuity of an effective, advanced and sustainable governance system, that supports the formulation of strategic objectives which are then transferred to appropriate work programs, and a focus realizing them in a way that meets transparency, disclosure and justice standards.

The aim is to achieve the Bank's strategy, sustainable growth, vision and mission by providing a growing long-term value to shareholders and all stakeholders. Governance – as a concept in Bank Albilad – is a system of rules and regulations used in directing and guiding the Bank, including mechanisms that govern the relationship between the Board of Directors, the Executive Management, shareholders and other stakeholders. Such rules and regulations are applied to facilitate decision making, ensure justice and transparency of financial transactions, create a growing value for the Bank, and protect the rights of shareholders, investors and stakeholders alike.

The Bank's corporate governance is based on fair treatment and equality between the different parties. This includes shareholders, investors, and other stakeholders including Management, clients, suppliers, as well as the relevant regulatory, supervisory and government entities, and the community. It takes into consideration the three key dimensions of sustainability: social, environmental and economic. The Board of Directors and the Executive Management work tirelessly to stress the need to adhere to the governance controls as an effective method to advance transparency, integrity and control, and achieve high professional performance.

This report shows the extent of the Bank's commitment to the provisions and principles of corporate governance, based on the requirements and instructions of regulatory authorities including the Saudi Arabian Monetary Agency (SAMA), the Capital Market Authority (CMA) and others. The Bank's

governance documents and updates have been approved as a governance manual, an appendix to the governance manual and a set of relevant policies and documents, in accordance with the Companies Law and its regulations, CMA's Corporate Governance Regulations and amendments thereof, the Principles of Corporate Governance for Banks as issued by SAMA along with the relevant circulars and instructions, and Bank Albilad's Articles of Association.

Key accomplishments in this regard, during 2021, included updating several governance documents, bringing them up-to-date and in line with the latest laws and regulations. This included a revision and update of the Governance Manual and its appendix, with approval by the Board of Directors or General Assembly, as required by laws and regulations. Amendments to the Governance Manual appendix covered the regulations of Nomination and Remuneration Committee, the Audit Committee – both approved by the General Assembly. A new committee was also established, namely the Sharia Committee, which falls under the Board of Directors and replaces the Sharia Board, in line with the Sharia governance framework issued by SAMA, effective August 9th, 2020. Regulations for the new committee were also approved.

The Board of Directors and its Committees continuously follow-up with the Executive Management to ensure its constant and efficient adherence to such regulations and policies.

BOARD OF DIRECTORS GOVERNANCE

The Board of Directors is composed of 10 members, elected at the Extraordinary General Assembly Meeting held on 9 April 2019 for a period of 3 years, starting on 17 April 2019 and ending on 14 April 2022:

A. Board of Directors for 2021

No.	Name	Position	Classification
1	Mr. Nasser Mohammed AlSubeaei	Chairman	Non-Executive
2	Mr. Fahad Abdullah Bindekhayel	Vice Chairman	Non-Executive
3	Mr. Sameer Omar Baeisa	Member	Independent
4	Mr. Khalid Abdulaziz AlMukairin	Member	Non-Executive
5	Mr. Ahmed Abdulrahman Alhussan	Member	Independent
6	Dr. Zeyad Othman Alhekail	Member	Independent
7	Mr. Abdulaziz Mohammed AlOnaizan	Member – Chief Executive Officer	Executive
8	Mr. Adeeb Mohammed Abanumai	Member	Independent
9	Mr. Khalid Abdulrahman AlRajhi	Member	Non-Executive
10	Mr. Haytham Sulaiman AlSuhaimi	Member	Non-Executive

B. Board of Directors' Qualifications, Positions and Experience

Mr. Nasser Mohammed AlSubeaei – Chairman of the Board, Non-Executive Member

Mr. Nasser AlSubeaei enjoys about 40 years of experience in banking, investment and real estate. He holds a bachelor's degree in Accounting from King Saud University.

Current Board memberships or Managerial Positions	Inside/Outside KSA	Legal Entity	Previous Board memberships or Managerial Positions	Inside/Outside KSA	Legal Entity
Board Vice Chairman of Mohammed Ibrahim AlSubeaei & Sons Investment Co. (MASIC)	Inside KSA	Closed joint company	Board Member of Dur Hospitality	Inside KSA	Listed joint company
Chairman of Thakher Investment and Real Estate Development Co.	Inside KSA	Closed joint company			
Chairman of Alargan Projects	Inside KSA	Closed joint company			
Board Member of Akwan Real Estate	Inside KSA	Closed joint company			

Mr. Fahad Abdullah Bindekhyel – Vice Chairman, Non-Executive Member

Mr. Fahad Bindekhyel brings several years of experience in the private banking and investment arenas, gained from work in several banks including the Saudi British Bank. He currently the Chairman of Albilad Capital and is a Board Member in many other companies. Bindekhyel holds a bachelor's degree in Quantitative Methods from King Saud University.

Current Board memberships or Managerial Positions	Inside/Outside KSA	Legal Entity	Previous Board memberships or Managerial Positions	Inside/Outside KSA	Legal Entity
Chairman of Albilad Capital	Inside KSA	Closed Joint Company	National Oil Services Company, Dubai	Outside KSA	Limited Liability Company
Chairman of Al Wafa Plastic Industries	Inside KSA	Limited Liability Company			
Board Member of Al Maqar Development Co	Inside KSA	Government-owned Company			

Mr. Sameer Omar Baeisa – Independent Member

Mr. Sameer Omar Baeisa has extensive experience in the banking sector, during which he held many positions including Regional Director for the western region at the National Commercial Bank, General Manager for Banque Saudi Fransi network of branches, and Business Development Consultant at Riyadh Bank. Currently Mr. Baeisa is a Board Member at the Saudi Company for Hardware (SACO). He holds an MBA from the University of California and a Bachelor's degree in Business Administration from King Abdulaziz University.

Current Board memberships or Managerial Positions	Inside/Outside KSA	Legal Entity	Previous Board memberships or Managerial Positions	Inside/Outside KSA	Legal Entity
Board Member of the Saudi Company for Hardware (SACO)	Inside KSA	Listed Joint Company	-	-	-

Mr. Khalid Abdulaziz AlMukairin – Non-Executive Member

Mr. Khalid Abdulaziz AlMukairin has extensive experience in the banking and commercial sectors, and is currently Chairman of Al Maktaba Marketing Company, and the Khalid AlMukairin and Sons Holding Company. He holds a Higher Diploma in Banking and Investment from Beirut Open University in Lebanon and a Bachelor's degree in Economics from King Saud University.

Current Board memberships or Managerial Positions	Inside/Outside KSA	Legal Entity	Previous Board memberships or Managerial Positions	Inside/Outside KSA	Legal Entity
Chairman of Al Maktaba Marketing Company	Inside KSA	Closed Joint Company	Chairman of Albilad Investment Company	Inside KSA	Closed Joint Company
Chairman of Khaled AlMukairin & Sons Holding Co.	Inside KSA	Limited Liability Company	Vice Chairman of Chamber of Commerce and Industry	Inside KSA	Civil Organization
			Chairman of the Family Investment Office Company	Inside KSA	Limited Liability Company

Mr. Ahmed Abdulrahman Alhussan – Independent Member

Mr. Ahmed Abdulrahman Alhussan enjoys an extensive experience in the banking sector, as he worked as Regional Manager of the Western Region, and as Deputy Director General of Al Rajhi Banking and Investment Corporation. He is a former member of the Board of Trustees for the Accounting and Auditing Organization for Islamic Financial Institutions. Currently, he heads the Audit Committee of Mohammed Ibrahim AlSubeaei & Sons Investment Co. (MASIC) and the Audit Committee of Dar Al-Arjan Projects Company. He holds a Diploma in Banking Credit and a Postgraduate Diploma in Financial Management from the Arab Academy for Banking and Financial Sciences, and a Bachelor's in Business Administration from King Saud University.

Current Board memberships or Managerial Positions	Inside/Outside KSA	Legal Entity	Previous Board memberships or Managerial Positions	Inside/Outside KSA	Legal Entity
NA	-	-	NA	-	-

Dr. Zeyad Othman Alhekail – Independent Member

Dr. Zeyad Othman Alhekail enjoys extensive experience in several fields, and is currently a businessman, consultant, Chairman and Member of Boards and board committees member of various companies, including Jabal Omar Development Company, and the Advanced Communication Electronic Systems Company. He holds a PhD and a Master's degree in Electrical Engineering from Ohio University, and a Bachelor's degree in Electrical Engineering from King Saud University.

Current Board memberships or Managerial Positions	Inside/Outside KSA	Legal Entity	Previous Board memberships or Managerial Positions	Inside/Outside KSA	Legal Entity
Chairman of National Aquaculture Company (Naqua)	Inside KSA	Closed Joint Company	Awqaf Sulaiman Bin Abdulaziz Al-Rajhi Holding Co.	Inside KSA	Limited Liability Company
Chairman of Advanced Communication Electronic Systems Co.	Inside KSA	Closed Joint Company	National Aquaculture Group	Inside KSA	Closed Joint Company
Board member of Knowledge Connect Company	Inside KSA	Limited Liability Company	Saudi Grains and Fooder Holding Co. LLC	Inside KSA	Limited Liability Company
Board Member of Sulaiman Al-Rahji Real Estate Investment Company	Inside KSA	Limited Liability Company	National Information Systems Company	Inside KSA	Limited Liability Company
Board Member of Dyar Al Khozami Real Estate Development Co.	Inside KSA	Closed Joint Company	Sulaiman Al-Rahji Education and Development	Inside KSA	Limited Liability Company
Board Member of Amlak Company	Inside KSA	Limited Liability Company	Advanced Educational Company -ADEC	Inside KSA	Closed Joint Company
Board Member of SEDCO Holding Company	Inside KSA	Closed Joint Company	National Agriculture Co.	Inside KSA	Limited Liability Company
			Central Air Conditioning Co.	Inside KSA	Limited Liability Company
			Jabal Omar Co.	Inside KSA	Listed Company

Mr. Abdulaziz Mohammed AlOnaizan – Executive Member – Chief Executive Officer

Mr. Abdulaziz Mohammed AlOnaizan has over 30 years of banking experience, during which he held many leading positions at local banks, including Samba Financial Group, Arab National Bank and Al Inma Bank. Currently, he is CEO and Executive Board Member of Bank Albilad, Chairman of Bayan Credit Information Company, and Board Vice Chairman of Albilad Capital. He holds a Bachelor's degree in Quantitative Methods from King Saud University, and has completed several advanced courses from specialized international institutes.

Current Board memberships or Managerial Positions	Inside/Outside KSA	Legal Entity	Previous Board memberships or Managerial Positions	Inside/Outside KSA	Legal Entity
Vice Chairman of Albilad Capital Company	Inside KSA	Closed Joint Company	Board member of Alinma Investment	Inside KSA	Closed Joint Company
			General Manager of Treasury and Investment at Alinma Bank	Inside KSA	Listed Joint Company
			General Manager of Treasury, Investment and Financial Institutions at Arab National Bank	Inside KSA	Listed Joint Company
Chairman of Bayan Credit Information Company	Inside KSA	Closed Joint Company	Assistant General Manager of Treasury Group at Samba Capital	Inside KSA	Listed Joint Company

Mr. Adeb Mohammed Abanumai – Independent Member

Mr. Adeb Mohammed Abanumai has a long professional experience and has held several positions, including a senior advisor and disclosure specialist at the Capital Market Authority, and Board Member of the Tunisian Saudi Bank. He is currently a Board Member of Al Ma'ather REIT Fund, Jazan Energy and Development Company, and Bin Saedan Real Estate Company. He is also a committee member in Audit Committees of several public and closed joint companies. Abanumai holds a Master's degree in Accounting from the University of Miami and a Bachelor's degree in Accounting from King Saud University.

Current Board memberships or Managerial Positions	Inside/Outside KSA	Legal Entity	Previous Board memberships or Managerial Positions	Inside/Outside KSA	Legal Entity
Board Member of Al-Watania Poultry	Inside KSA	Closed Joint Company	Board Member of Tunisian Saudi Bank	Outside KSA	Equal government contribution between the Kingdom of Saudi Arabia and Tunisia
Board Member of Jazan Energy & Development Co.	Inside KSA	Listed Joint Company			
Board Member of Bin Saedan Real Estate Co	Inside KSA	Closed Joint Company			
Board Member of Al-Ma'ather REIT Fund	Inside KSA	Real Estate Investment Fund			

Mr. Khalid Abdulrahman AlRajhi – Non-Executive Member

Mr. Khalid AlRajhi has extensive experience in several fields, as he previously served as a Board Member of Saudi Telecom Company, Chairman of the Audit Committee and a Member of the Investment Committee. Currently, he is the Chairman of Saudi Cement Company, Board Member of AlBilad Capital, CEO of Abdul Rahman Saleh Al-Rajhi & Partners Co. Ltd and a Board Member of Tanami Arabia Company. He holds a Bachelor's degree in Finance from King Fahd University of Petroleum & Minerals.

Current Board memberships or Managerial Positions	Inside/Outside KSA	Legal Entity	Previous Board memberships or Managerial Positions	Inside/Outside KSA	Legal Entity
Chairman of Saudi Cement Company	Inside KSA	Listed Joint Company	Dana Gas	Outside KSA	Listed Joint Company
			NAS Co	Outside KSA	Listed Joint Company
Board Member of Tanami Arabia Co.	Inside KSA	Closed Joint Company	Saudi Telecom Company	Inside KSA	Listed Joint Company
Board Member of AlBilad Capital	Inside KSA	Closed Joint Company	The National Shipping Company of Saudi Arabia (Bahri)	Inside KSA	Listed Joint Company
CEO of Abdul Rahman Saleh Al-Rajhi & Partners Co, Ltd	Inside KSA	Limited Liability Company	Saudi United Cooperative Insurance Company (Walaa)	Inside KSA	Listed Joint Company
			Takween Advanced Industries	Inside KSA	Listed Joint Company

Mr. Haytham Sulaiman AlSuhaimi – Non-Executive Member

Mr. Haytham AlSuhaimi has a wealth of experience in wealth management and investment, and has held several positions in Albilad Capital, where he is currently Chief Business Development Officer since March 2020. He was also Head of Wealth Management between 2018 and 2020, and a financial analyst for investment banking and private equity services between 2016 and 2018. He was the Head of Marketing and Sales at Saban UAE between 2014 and 2016. Currently he is a Board Member of several funds owned by Albilad Capital, and a member of the Committee of Licensed Financial Companies since December 2020. holds a Master's degree in Investment and Financial Risk from the University of Westminster, Britain and a Bachelor's degree in Business Administration from Al Ghurair University, UAE.

Current Board memberships or Managerial Positions	Inside/Outside KSA	Legal Entity	Previous Board memberships or Managerial Positions	Inside/Outside KSA	Legal Entity
Board Member of Albilad Gold ETF	Inside KSA	Fund licensed by CMA	NA	-	-
Board Member of Albilad Fund of REIT Fund	Inside KSA	Fund licensed by CMA			
Board Member of Albilad Government Sukuk ETF	Inside KSA	Fund licensed by CMA			
Board Member of Albilad AlMurabih SAR Fund	Inside KSA	Fund licensed by CMA			
Board Member of Nusaned Fund	Inside KSA	Fund licensed by CMA			
Board Member of Solution Sharing IT Company	Inside KSA	Limited Liability Company			
Board Member of Telad Investment Co.	Inside KSA	Closed Joint Company			
Board Member of WASM Business IT Co.	Inside KSA	Closed Joint Company			

C. Attendance of Board Meetings during 2021

For the purpose of enhancing its role, the Board of Directors held (9) meetings during 2021:

No.	Name	Meeting number and date								
		1	2	3	4	5	6	7	8	9
		27/01/2021	15/03/2021	20/04/2021	14/06/2021	13/07/2021	29/08/2021	13/09/2021	10/11/2021	13/12/2021
1	Mr. Nasser Mohammed AlSubeaei	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Mr. Fahad Abdullah Bindekhal	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Mr. Sameer Omar Baeisa	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Mr. Khalid Abdulaziz AlMukairin	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Mr. Ahmed Abdulrahman Alhussan	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Dr. Zeyad Othman Alhekail	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	Mr. Abdulaziz Mohammed AlOnaizan	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Mr. Adeb Mohammed Abanumai	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Mr. Khalid Abdulrahman AlRajhi	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	Mr. Haytham Sulaiman AlSuhaimi	✓	✓	✓	✓	✓	✓	✓	✓	✓

✓ Attended

x Did not Attended

D. Balance of Shares Owned by Members of the Board of Directors, their Spouses and Minor Children

The number of shares owned by Members of the Board of Directors, their spouses and minor children at the beginning and end of fiscal year 2021:

No.	Stakeholder name	Number of shares at the beginning of 2021	Number of shares at the end of 2021	Net change	Change %
1	Mr. Nasser Mohammed AlSubeaei	2,742,563	2,742,563	0	0%
2	Mr. Sameer Omar Baeisa	-	-	-	-
3	Dr. Zeyad Othman Alhekail	-	-	-	-
4	Mr. Fahad Abdullah Bindekhal	1,875	1,875	(1,364)	(72.7) %
5	Mr. Khalid Abdulaziz AlMukairin	514,001	514,001	(199,969)	(38.9) %
6	Mr. Ahmed Abdulrahman Alhussan	1,875	1,875	0	0%
7	Mr. Abdulaziz Mohammed AlOnaizan	712,455	712,455	(327,270)	(46) %
8	Mr. Adeb Mohammed Abanumai	-	-	-	-
9	Mr. Haytham Sulaiman AlSuhaimi	-	-	-	-
10	Mr. Khalid bin Abdulrahman AlRajhi	68,387,386	68,387,386	0	0%

E. Senior Executives Current and Previous Positions, Qualifications and Experience

Name	Current position	Previous positions	Qualifications	Experience	Specialty
Mr. Abdulaziz Mohammed AlOnaizan	Chief Executive Officer	Chief Business Officer at Bank Albilad	Bachelor	34 years	Quantitative Methods
Mr. Haitham Medainy AlMedainy	Executive Vice President of Human Resources	Head of Recruitment at the Saudi British Bank (SABB)	Bachelor	25 years	Computer Engineering
Mr. Hisham Ali AlAkil	Executive Vice President of Finance	Chief Financial Officer – Al Rajhi Capital	Master	20 years	Accounting
Eng. Omar Abdul Rahman AlHussain	Executive Vice President of Retail Banking	Executive Vice President of Enjaz	Master	22 years	Business Administration
Mr. Saleh Suliman AlHabib	Executive Vice President of Operations	General Manager of Corporate at Bank Albilad	Bachelor	27 years	Accounting
Mr. Khaled Hassan Alzain	Executive Vice President of Enjaz	Head of Enjaz Development & Correspondents	Bachelor	22 years	Business Administration
Mr. Abdullah Mohammed Alarifi	Executive Vice President of Risk	General Director of Credit Policy at Bank Albilad	Bachelor	25 years	Accounting
Mr. Samer Mohammed Farhoud	Executive Vice President of Treasury	Chief Executive Officer – Deutsche Gulf Finance	Bachelor	34 years	Computer Engineering
Mr. Jameel Nayef Alhamdan	Executive Vice President of Corporate Banking	General Director of Corporate – Bank Albilad	Bachelor	16 years	International Business Administration

F. Balance of Shares Owned Senior Executives, their Spouses and Minor Children

The number of shares owned by Senior Executives, their spouses and minor children at the beginning and end of fiscal year 2021:

No.	Stakeholder name	Position	Number of shares at the beginning of 2021	Number of shares at the end of 2021	Net change	Change %
1	Mr. Abdulaziz Mohammed AlOnaizan	Chief Executive Officer	712,455	385,185	(327,270)	(46%)
2	Mr. Abdullah Mohammed Alarifi	Executive Vice President of Risk	88,307	106,925	18,618	21.1%
3	Mr. Hisham Ali AlAkil	Executive Vice President of Finance	30,499	48,432	17,933	58.8%
4	Mr. Saleh Suliman AlHabib	Vice President of Operations	157,438	183,918	26,480	16.8%
5	Mr. Haitham Medainy AlMedainy	Executive Vice President of Human Resources	40,407	28,629	(11,778)	(29.1%)
6	Mr. Samer Mohammed Farhoud	Executive Vice President of Treasury	22,257	33,873	11,616	52.1%
7	Eng. Omar Abdul Rahman AlHussain	Executive Vice President of Retail Banking	21,135	15,879	(5,256)	(24.9%)
8	Mr. Khaled Hassan Alzain	Executive Vice President of Enjaz	3,036	5,812	2,776	91.4%
9	Mr. Jameel Nayef Alhamdan	Executive Vice President of Corporate Banking	7,618	21,883	14,265	187.2%

Board Committees

The Board Committees perform their duties and responsibilities based on the relevant governance documents, regulations and policies, as approved by the Board of Directors or the General Assembly, depending on the case, which will define their authorization level and work procedures. These Committees were established along with the formation of the current Board of Directors starting from 17 April 2019 to 16 April 2022.

A. Executive Committee

The responsibilities of the Executive Committee are to ensure the effectiveness of the decision-making process at highest levels. This is done to achieve the Bank's objectives in a flexible and timely manner, and in a way that will support the Board of Directors in implementing its responsibilities and further its role in improving, monitoring and implementing the Bank's strategy. Such efforts help support effective performance, a regular reviewing and monitoring of the Bank's operations, as well as the role of decision making and submission of recommendations to the Board of Directors as necessary.

The current Executive Committee consists of 5 Board Members and has held 18 meetings during 2021. The following table lists the meetings and attendance of Committee members:

Name	Status	Meeting number and date																	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Dr. Abdulrahman Ibrahim AlHumaid (RIP)*	Former Chairman	✓	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Nasser Mohammed AlSubeaei	Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Fahad Abdullah Bindekhalayel	Member	x	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Khalid Abdulaziz AlMukairin	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	x	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Khalid Abdulrahman AlRajhi	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Abdulaziz Mohammed AlOnaizan**	Member	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

✓ Attended

x Did not attend

* Deceased on 20/01/2021

** Became a member on 07/02/2021

B. Nomination and Remunerations Committee

The responsibilities of the Committee include an annual review of the required skills for the Board of Directors and its Committees' membership in accordance with their nature and regulations. The Committee also reviews the structure and composition of the Board of Directors and its Committees on regular basis, and submits recommendations on members' strengths and weaknesses, with suggestions on how to overcome them. It also submits recommendations to the Board of Directors regarding Board and Board Committee candidates, and lists the applicable qualifications and expertise needed for such memberships. Additionally, the Committee is responsible for ensuring independence of independent Board Members on an annual basis, to avoid conflicts of interest. The Committee is responsible for evaluating, formulating and updating policies related to the remuneration and incentives the Board of Directors, its Committees and the Executive Management, as well as the succession policy and mechanism for the Board of Directors, its Committees and the Executive Management, and submitting the necessary recommendations to the Board of Directors to approve the organizational structure of the Bank and any relevant updates and amendments.

The current Committee consists of 3 members including one Board Member and 2 non-Board Members. It held 6 meetings during 2021. The following are the biographies of the Non-Board Members:

Mr. Khalid Saleh AlHathal

Mr. Khaled Saleh AlHathal has over 30 years of experience in a number of diverse, banking and commercial fields, during which he held many positions, including Chief Officer of Joint Services in Al-Faisaliah Group, CEO of Ann Ltd. and many other companies. He is currently the CEO of Muzon Investment Company, and a Board and Committee Member of several other companies. AlHathal holds a Master's degree and a Bachelor's degree in Business Administration from Indiana University, USA.

Mr. Amr Hosni Al-Taher

Mr. Amr Hosni Al-Taher has more than 40 years of experience, most of which is in human resources. He worked as a director of human resources in a number of local, regional and international banks, and is currently a Member of several Boards and Nomination and Remuneration Committees. He holds a bachelor's degree in science from King Saud University.

The following table lists the meetings and attendance of Committee members:

Name	Status	Meeting number and date					
		10/01/2021	27/01/2021	08/03/2021	07/06/2021	06/09/2021	06/12/2021
Mr. Sameer Omar Baeisa	Chairman	✓	✓	✓	✓	✓	✓
Mr. Khalid Saleh AlHathal	Member	✓	✓	✓	✓	✓	✓
Mr. Amr Hosni Al-Taher	Member	✓	✓	✓	✓	✓	✓

✓ Attended

x Did not attend

C. Risk Committee

The Risk Committee is one of the committees at the same level as the Board of Directors. Its main purpose is to provide advice and consultation to the Board on current and future overall plans and strategies in relation to the Bank's capacity and ability to bear risks. The Committee also supervises the Executive Management's implementation of these plans and strategies. In general, the Committee assists the Board in overseeing all the activities and decisions related to the Risk Management Group at the Bank. Such activities and decisions include market, credit, investment, financial and operating risks as well as liquidity, reputation, business continuity and technical systems risks. In addition, the Committee is to review the Bank's internal risk policies and present them to the Board of Directors for approval. The Committee also seeks approval on the distribution amount of acceptable credit risks, responsibilities and other approved risks from the Board of Directors in a manner that does not conflict with the duties and responsibilities of other committees of the Board of Directors, as well as supervising the approved risk limitations and ensuring that the bank has adequate policies and procedures approved by the competent authorities.

The current Committee consists of 3 members including 2 Board members and one Non-Board member, and held 4 meetings during 2021. The following are the biographies of previous and current Non-Board Members:

Mr. Muath Abdulrahman Al Hussaini

Mr. Muath Abdulrahman Al Hussaini holds a Bachelor's degree with honor in Management Information Systems from King Fahd University of Petroleum and Minerals, he holds Certified Financial Analyst certificate and Certified Financial Risk Manager certificate. Mr. Muath Abdulrahman Al Hussaini has many experiences due to his previous position in Deutsche Bank as head of financial solutions and derivatives management and risks in the Middle East and North Africa region, he was a senior advisor in the Treasury Department with SABB Bank, and he is Founder and CEO of Ehata Financial Company.

The following is the attendance record of Committee Members' meetings in 2021:

Name	Status	Meeting number and date			
		22/02/2021 1	24/05/2021 2	25/08/2021 3	22/11/2021 4
Mr. Ahmed Abdulrahman Alhussan	Chairman of the Committee	✓	✓	✓	✓
Mr. Haytham Sulaiman AlSuhaimi	Member	✓	✓	✓	✓
Muath Abdulrahman Al Hussaini	Member	✓	✓	✓	✓

- ✓ Attended
- x Did not attend

D. Compliance and Governance Committee

The Committee is responsible for supervising and maintaining the highest standards of governance by ensuring, on behalf of the Board of Directors, that sound governance practices are followed across all Bank's activities. The Committee ensures that the Bank complies with all relevant local, regional and international laws, regulations, standards and rules related to its activities. It conducts continuous review of the overall governance framework and related mechanisms. The Committee is also responsible for reviewing the Board Committees' and the Executive Managements' regulations, and submitting recommendations thereof to the Board of Directors. It is tasked with monitoring and ensuring that the Bank implements sufficient mechanisms to identify cases of conflict of interest in all transactions and operating activities. The Committee shall approve the annual plan of the Compliance Division, and undertake the task of reviewing the annual compliance report submitted to the Saudi Central Bank. It monitors the adequacy, effectiveness and independence of the Compliance Division, and the Anti-Financial Crimes Division, in relation to the implementation of the compliance policy and guidelines. It also reviews periodic and annual compliance reports and anti-financial crimes reports and ensures effective correction of any identified gaps or irregularities. The Committee also reviews the Compliance plan/program.

The Committee currently consists of 3 members: 2 Board Members and 1 non-Board Member. It held 5 meetings in 2021. The following is the biography of the current non-Board members:

Mr. Muath Abdulrahman Al Hussaini

Mr. Muath Abdulrahman Al Hussaini has a wealth of experience due to his previous position in Deutsche Bank as Head of Financial Solutions and Derivatives Management and Risk for the MENA region. He was also a senior advisor in the Treasury Department with SABB Bank, and he is the Founder and CEO of Ehata Financial Company. Al Hussaini holds a Bachelor's degree with honor in Management Information Systems from King Fahd University of Petroleum and Minerals, and is a Certified Financial Analyst and a Certified Financial Risk Manager.

The following is the attendance record of Committee Members' meetings in 2021:

Name	Status	Meeting number and date			
		08/03/2020 1	09/06/2020 2	06/09/2020 3	06/12/2020 4
Dr. Zeyad Othman Alhekail	Chairman	✓	✓	✓	✓
Mr. Sameer Omar Baeisa	Member	✓	✓	✓	✓
Mr. Muath Abdulrahman Al Hussaini	Member	✓	✓	✓	✓

- ✓ Attended
- x Not Attended

E. Audit Committee

The Audit Committee is responsible for the effective supervision of the internal audit division. This includes verifying the independence and effectiveness of the Internal Audit division in undertaking its responsibilities, ascertaining the availability of its required human resources, approving its strategic and annual audit plans and monitoring its implementation, reviewing reports issued by the internal Audit Division, following up the corrective action plans provided by the business, and ensuring that external quality assessment is conducted over Internal Audit work activities at least once every 5 year. The committee also nominates the bank's external auditors, determine their Fees, supervises their activities, reviews their audit plan, evaluates their performance, verifies their independence and the level of cooperation of the bank's management with them, discusses their observations, studies the interim and annual financial statements, and recommends their approval to the Board of Directors. The Committee also, reviews the contracts and transactions proposed by the Bank with related parties. In addition to the other supervisory duties that fall within the scope of the Committee duties as stipulated in its charter approved by the General Assembly.

The Committee currently consists of 3 Members, 1 from the Board (Committee Chairman) and 2 non-board Members. The biographies of the current Non-Board Members are as follows:

Mr. Jasser Abdulkarim Jasser

Mr. Jasser Al-Jasser has a long experience through his previous work as Executive Vice President of Corporate Finance at Riyad Bank, General Manager of Internal Audit at the Tadawul and Head of Internal Audit at the National Commercial Bank. Mr. Jasser currently works as General Manager of the General Department of Governance, Risk and Compliance at the Ministry of Finance. Mr. Jasser, is Certified Internal Auditor by IIA and certified risk analyst from by American Society for Financial Management. He holds a master's degree in business administration from Colorado University of Technology and a bachelor's degree in business administration from King Saud University.

Mr. Mohammed Farhan bin Nader

Mr. Mohammed bin Farhan bin Nader has a variety of experiences in banking and consultancy through his work experiences in local and international consulting firms. He holds the American and Saudi Fellowship of Certified Public Accountants, and holds a master's degree in Business Administration from Heriot-Watt University, Britain, and a Bachelor's degree in Accounting from the King Saud University.

The Committee held (7) meetings during the year 2021, and the following below a list of these meetings and members attendance:

Name	Nature of Membership	Number of Meetings (7)						
		1st Meeting 01/2/2021	2nd Meeting 08/3/2021	3rd Meeting 19/4/2021	4th Meeting 06/6/2021	5th Meeting 28/7/2021	6th Meeting 19/10/2021	7th Meeting 15/12/2021
Mr. Adeb Mohammed Abanumai	Chairman	✓	✓	✓	✓	✓	✓	✓
Mr. Jasser Abdulkarim Jasser	Member	✓	✓	✓	✓	✓	✓	✓
Mr. Mohammed Farhan bin Nader	Member	✓	✓	✓	✓	✓	✓	✓

✓ Attended x Did not Attend

F. Sharia Committee

The main purpose of the Sharia Committee is to assist the Board of Directors in performing its duties and responsibilities by enhancing confidence in the compliance with the Sharia provisions and principles prescribed by the bank. The committee provides Sharia consultation and supervises the bank's business in a manner that ensures the protection of shareholders and all stakeholders interests. The committee exercises its duties independently, not affected by any influence that may hinder it from issuing objective Sharia decisions while discussing sharia matters put before it, and issuing Sharia decisions with regards to practicing Islamic banking, in order to achieve the bank's vision, mission and values that preserve its identity, in accordance with the principles and provisions of the Islamic law. Upon the issuance of the Sharia Governance Framework by the Saudi Central Bank on 02/13/2020, the bank sought to comply with the requirements of the Sharia Governance Framework, which required amending some of the bank's regulations and policies.

The committee works closely with the Board of Directors and is formed in accordance with the general regulations and conditions for forming approved committees prescribed by the bank. The Sharia committee consists of 5 specialized and competent Members who are well-versed in the jurisprudence of financial transactions and economics, namely:

H.E. Sheikh Abdullah Suleiman Al-Manea (Chairman of the Committee)

H.E. Sheikh Abdullah Suleiman Al-Manea holds a Bachelor's degree from the College of Sharia, Imam Muhammad bin Saud Islamic University in 1377 AH and holds a Master's degree from the Higher Judicial Institute, Imam Muhammad bin Saud Islamic University in the year 1389 AH. He is a member of the Council of Senior Scholars and Adviser in the Royal Court of Saudi Arabia, and a member of the Sharia Board of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). He has several books, including:

- Bank Notes: its identity, history, and rules.
- A collection of studies and fatwas - 4 volumes.
- Research in Islamic economics.
- A paper on Zakat on merchandises.

H.E. Sheikh Prof. Dr. Abdullah Muhammad Al-Mutlaq (Vice Chairman)

H.E. Sheikh Prof. Dr. Abdullah bin Muhammad Al-Mutlaq is a member of the Council of Senior Scholars and Adviser in the Royal Court of Saudi Arabia, Chairman of the Sharia Committee of the General Authority for Zakat and Tax, and member of the Sharia Board of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). and he worked as the head of the Department of Comparative Jurisprudence of the Higher Judicial Institute and as an undersecretary of the Higher Judicial Institute. He holds a Doctorate degree from the Department of Comparative Jurisprudence, the Higher Judicial Institute, Imam Muhammad bin Saud Islamic University in 1404 AH. He has several books, including:

- Investigation in crimes against honor.
- Sale by auction.
- Supply contract.
- SUKUK

H.E. Sheikh Prof. Dr. Abdullah Musa Al-Amar (Member)

H.E. Sheikh Prof. Dr. Abdullah Musa Al-Amar was an ex-professor of Jurisprudence, the College of Sharia, Imam Muhammad bin Saud Islamic University, a part-time advisor at the Ministry of Islamic Affairs, Dawah and Guidance, and an undersecretary of the Jurisprudence Department, College of Sharia, Imam Muhammad bin Saud Islamic University. He holds a Master's degree and Doctorate degree from the Jurisprudence Department, College of Sharia, Imam Muhammad bin Saud Islamic University in 1407 AH. He has a number of books, including:

- Lottery and its areas of application in Islamic jurisprudence.
- Study of abstraction of carefulness book.
- Rules of mourning
- The life of H.E. Sheikh Muhammad bin Ibrahim Al Sheikh (in cooperation with others).

H.E. Sheikh Dr. Muhammad Saud Al-Osaimi (Member)

H.E. Sheikh Dr. Muhammad bin Saud Al-Osaimi is the General Supervisor of Maqased Economic Advisory, and was previously an Associate Professor at the College of Economics and Administrative Sciences, Imam Muhammad bin Saud Islamic University. He holds a Master's degree and Doctorate degree in economics from the University of Colorado, Boulder, USA in 1414 AH. He has several books, including:

- How commercial banks work for non-specialists?
- Credit cards, the economic aspects of different payment cards.
- Translation of the book "Death of Money", by Joel Curtisman.
- The economic aspects of traffic accidents.

H.E. Sheikh Prof. Dr. Yusuf Abdullah Al-Shubaili (Member)

H.E. Sheikh Prof. Dr. Yusuf bin Abdullah Al-Shubaili is a professor of Jurisprudence at the Higher Judicial Institute, Imam Muhammad bin Saud Islamic University. He is a member of the Sharia Board of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), he holds a Master's Degree and Doctorate degree from the Department of Comparative Jurisprudence, the Higher Judicial Institute, Imam Muhammad bin Saud Islamic University in 1422 AH. He has several books, including:

- Credit cards and the related provisions in Islamic jurisprudence.
- Investment services in banks and their provisions in Islamic jurisprudence.
- Purposes of Islamic legislation.
- Financial transactions.

The Sharia committee held 4 meeting in 2021, and below is a statement of the committee's meetings and the names of the attendees:

Name	Nature of Membership	Meeting number and date			
		22/03/2021	28/06/2021	19/10/2021	29/12/2021
H.E. Sheikh Abdullah Suleiman Al-Manea	Committee Chairman	484	485	486	487
H.E. Sheikh Prof. Dr. Abdullah Muhammad Al-Mutlaq	Vice Chairman	✓	✓	✓	✓
H.E. Sheikh Prof. Dr. Abdullah Musa Al-Amar	Member	✓	✓	✓	✓
H.E. Sheikh Dr. Muhammad Saud Al-Osaimi	Member	✓	✓	✓	✓
H.E. Sheikh Prof. Dr. Yusuf Abdullah Al-Shubaili	Member	✓	✓	✓	✓

✓ Attended x Did not attend

Remunerations and Compensations

Remunerations, compensations and the disclosure process thereof are set out according to the Companies Law and its regulations, and as per the "Regulatory Rules and Procedures issued pursuant to the Companies Law relating to Listed Joint Stock Companies and amendments thereof, which stipulates the requirement to disclose a company's remuneration policy and mechanism. This is also governed by SAMA and CMA's relevant rules, principles and regulations, relevant approved international standards, and the Bank's policies and documents in this regard. The following shows the method followed to establish the remunerations and allowances of the Board Members and Board Committee Members, as well as details of disbursements to Board Members, Board Committee Members and Senior Executives:

Remuneration policy for Board and Board Committee Members

Remuneration of Board and Board Committee Members is governed by the provisions of the Companies Law and its regulations, such as controls and regulatory rules issued pursuant to the Companies Law in connection with Listed Joint Stock Companies and the updated Corporate Governance Regulations and its amendments, as well as related circulars and principles prescribed by the Saudi Central Bank, and the Bank's Articles of Association, whose standards and provisions determine the policy relating to the remuneration of Board Members, Board Committee Members and Senior Executives.

The most important rules and mechanisms items used to determine the remunerations of the Board and Board Committee Members are shown below:

1. General Rules of Remunerations

1-1 The amount of money disbursed to the Board members shall not exceed 5% of net profits, under all circumstances, the total amount received by the Board member in terms of remunerations, financial or in-kind privileges shall not exceed SAR 500,000 per year, including attendance allowance that should not exceed SAR 5,000 per meeting. This shall be implemented in accordance with the controls stipulated in the Companies Law, its controls and regulatory procedures, Companies Governance Regulations, principles and circulated instructions from the Saudi Central Bank, as well as the Bank's relevant policies.

- 1-2 The Board Member shall have the right to receive a remuneration in compensation for their membership in the Audit Committee formed by the General Assembly or for any additional works, executive, technical, administrative or consultancy positions by virtue of professional license that are assigned to them by the Bank; in addition to remunerations received in their capacity as a Board Member and a Member in a Committee formed by the Board of Directors, as per the Companies Law and the Company's Articles of Association and this policy.
- 1-3 In case any Committee Member is absent from a meeting, an amount of money shall be deducted from its annual remuneration in a percentage proportional to their absenteeism, through dividing the total amount of remunerations by the total number of meetings held by the Committee during the year and deducting the remuneration due to the Member for the meeting or the meetings they did not attend.
- 1-4 The Board Member shall not have the right to vote on the clause relating to Board Member remunerations during the General Assembly.
- 1-5 If the General Assembly decided to end the membership of the absent Board Member due to their absenteeism in three consecutive meetings of the Board without a valid reason, this Member shall not be entitled to any remunerations for the period following the last meeting they attended and should return all the remunerations disbursed to them for this period.
- 1-6 1-6 The remunerations of Board Members may vary to the extent that reflects the Member's experience, tasks assigned, specialty, independency, number of sessions attended and other considerations.

2. Mechanisms used to determine the Remunerations of Board Members and Board Committees

- 2-1 Taking into consideration what was mentioned regarding the general rules above, including the Companies Law and its regulations, such as controls and regulatory rules issued pursuant to the Companies Law in connection with Listed Joint Stock Companies and the updated Corporate Governance Regulations and its amendments, as well as related circulars prescribed by the Saudi Central Bank, especially the ones related to the minimum and maximum that shall not exceed SAR 500,000: the mechanisms used to determine remuneration for parties concerned under this policy, such as Board Members and Board Committee Members, shall be specified as per the policies and decisions issued by the Board of Directors and in accordance with specific rules applied by the Audit Committee, as per the Companies Law, its regulations and related controls and regulatory procedures.
- 2-2 Each Board Member shall have the actual expenses amount incurred by the member to attend the Board of Directors' meetings and the Committee meetings, including accommodation expenses, first class air tickets, in addition to the lump-sum remuneration and attendance allowance amount as per the above-mentioned controls.
- 2-3 Each (external) Member of a Board Committee but not a Board Member, shall have the actual expenses amount incurred by the member to attend the Committee meetings, including accommodation expenses, business class air tickets, in addition to the lump-sum remuneration and attendance allowance amount as per the above-mentioned controls.

3. Policy and Mechanisms of Remunerations for Executive Management Members

Without prejudice to the above-mentioned rules and general standards, and in accordance with the related Laws and Regulations, the updated Companies Governance Regulation, principles and circulars of the Saudi Central Bank, the mechanisms of the remunerations of the employees in general, and Senior Executives in particular, shall be determined according to the policies and decisions issued by the Board of Directors. These mechanisms shall take into consideration the relevant controls and standards mentioned in the Nominations and Remunerations Committee's regulations, as approved by the General Assembly, as well as the rules of remunerations issued by the Saudi Central Bank such as:

1. To conform to the Bank's strategy and objectives.
2. To specify the standards for giving remuneration and the disclosure thereof; and to ensure their implementation.
3. To focus on linking remuneration standards with performance.
4. To determine the remuneration on the basis of position, tasks and responsibilities, academic qualifications, work experiences, skills and level of performance.
5. The remuneration must be appropriate to the size, nature and level of risks faced by the Bank.
6. The amounts of remunerations and incentives related to performance shall be determined based on profit rate relevant to risk level and as per the rules and principles of the Saudi Arabian Monetary Authority in connection with remunerations and incentives, as well as the standards of the Financial Stability Board (FSB).

Pursuant to the Saudi Central Bank's circular No. 391000083183 dated 28/7/1439H, the clause pertaining to the maximum limit of remuneration for Board Members and Board Committee Members at no more than SR 500,000 annually (as stipulated in the Saudi Central Bank's circular No. 381000063670 dated 14/6/1438), is no longer applicable to the Bank's Chairman of the Board as referred to in Clause 81 of the Companies Law.

1. Remunerations for current and previous Board of Directors

Board Members	Fixed remuneration							Variable remunerations								
	Certain amount	Allowance for attending BoD meetings	Total allowance for attending BoD meetings	In-kind benefits	Technical, managerial and consultation remunerations	Remunerations for the Chairman or Managing Director or Secretary	Total	Profit	Periodic remunerations	Short-term incentive plans	Long-term incentive plans	Granted shares	Total	End of Service Gratuity	Grand Total	Expenses Allowances
1st: Independent Members																
1. Mr. Sameer Omar Baeisa	320,000	45,000	55,000	-	-	-	420,000		170,000	-	-	-	170,000	-	500,000	12,334
2. Mr. Ahmed Abdulrahman Alhussan	320,000	45,000	20,000	-	-	-	385,000		110,000	-	-	-	110,000	-	495,000	
3. Dr. Zeyad Othman Alhekail	320,000	45,000	25,000	-	-	-	390,000		110,000	-	-	-	110,000	-	500,000	
4. Mr. Adeeb Mohammed Abanumai	320,000	45,000	35,000	-	-	-	400,000		300,000	-	-	-	300,000	-	700,000	
Total	1,280,000	180,000	135,000	-	-	-	1,595,000		690,000	-	-	-	690,000	-	2,195,000	
2nd: Non-Executive Members																
1. Dr. Abdulrhman Ibrahim AlHumaid (RIP)*	-	-	5,000	-	-	-	-		-	-	-	-	-	-	5,000	
2. Mr. Nasser Mohammed AlSubeaei	320,000	45,000	90,000	-	-	-	455,000		110,000	-	-	-	110,000	-	500,000	
3. Mr. Fahad Abdullah Bindekhayel	320,000	45,000	85,000	-	-	-	450,000		56,666	-	-	-	56,666	-	500,000	
4. Mr. Khalid Abdulaziz AlMukairin	320,000	45,000	85,000	-	-	-	450,000		56,666	-	-	-	56,666	-	500,000	
5. Mr. Khalid Abdulrahman AlRajhi	320,000	45,000	90,000	-	-	-	455,000		60,000	-	-	-	60,000	-	500,000	
6. Mr. Haytham Sulaiman AlSuhaimi	320,000	45,000	20,000	-	-	-	385,000		60,000	-	-	-	60,000	-	445,000	
Total	1,600,000	225,000	375,000	-	-	-	2,195,000		343,332	-	-	-	343,332	-	2,450,000	
3rd: Executive Members																
1. Mr. Abdulaziz Mohammed AlOnaizan	320,000	45,000	85,000	-	-	-	450,000		60,000	-	-	-	-	-	500,000	

* Deceased on 20/01/2021

2. Remunerations for Board Committees Members (Non-Board Members)

Committee Members	Fixed remunerations (Except for allowances for attending Committee meetings)	Allowance for attending Committee meetings	Total
Nomination and Remuneration Committee Members			
1. Mr. Khalid Saleh Al-Hathal	110,000	30,000	140,000
2. Mr. Amr Hosni Al-Taher	110,000	30,000	140,000
Total	220,000	60,000	280,000
Audit Committee Members			
1. Mr. Jasser Abdulkarim Jasser	110,000	35,000	145,000
2. Mr. Mohammed Farhan bin Nader	110,000	35,000	145,000
Total	220,000	70,000	290,000
Risk Committee Members			
1. Mr. Muath Abdulrahman Al Hussaini	110,000	20,000	130,000
Total	110,000	20,000	130,000
Compliance and Governance Committee Members			
1. Mr. Muath Abdulrahman Al Hussaini	110,000	25,000	135,000
Total	110,000	25,000	135,000
Sharia Committee Members			
1. H.E. Sheikh Abdullah Suleiman Al-Manea	120,000	30,000	150,000
2. H. E Sheikh Prof. Dr. Abdullah Muhammad Al-Mutlaq	120,000	30,000	150,000
3. H.E. Sheikh Prof. Dr. Abdullah Musa Al-Amar *	120,000	95,000	215,000
4. H.E. Sheikh Dr. Muhammad Saud Al-Osaimi *	120,000	95,000	215,000
5. H.E. Sheikh Prof. Dr. Yusuf Abdullah Al-Shubaili*	120,000	95,000	215,000
Total	600,000	345,000	945,000

* The allowance for attending the meetings includes allowance for attending meetings of the Preparatory Committee of the Sharia Committee

3. Details of remunerations, salaries, allowances and other compensation paid to Senior Executives

Statement	7 Senior Executives including CEO and CFO SAR (000)
Salaries and compensations	17,553
Annual and periodic allowances and remunerations	24,214
Total	41,767

Mechanisms and methods used to evaluate the performance of the Board and Committees Members

For the purpose of evaluating its performance and the performance of its committees and members, the Board of Directors adopts a mechanism whereby the Nomination and Remuneration Committee conducts an annual evaluation of the Board of Directors and its committees using forms and methods specially designed for this purpose. The Nomination and Remuneration Committee has agreed that the General Secretariat and Governance would prepare for the evaluation process according to the updated and approved forms and methods. The Committee has supervised, studied and discussed the results of the evaluation of the Board and its committees, and has determined strengths ways to further improve them, as well as weaknesses and recommendations to deal with them. It has also provided summary of the evaluation results submitted along with the necessary recommendations to the Board of Directors.

Internal Audit

Internal Audit is an independent and objective function that reports directly to the Audit Committee formed by the general assembly of the bank, and aims to provide reasonable assurances to the audit committee and the senior management of the bank about the adequacy and effectiveness of the internal control system, through the application of a systematic approach to assess and improve the effectiveness of governance and risk management processes and oversight. Internal Audit follows the risk-based audit methodology in the planning and implementation of audit work. It also follows up on correcting the observations contained in the reports of internal audits, external auditors, and regulatory and supervisory bodies to ensure that they are implemented according to the set target dates and that the implemented actions ensure the integrity of internal control controls. The Internal Audit relies on the continuous development of its employees in order to upgrade their capabilities. Internal Audit also ensures conformance with internal audit standards through a quality assurance program that covers all internal audit activities.

Internal Audit scope of the work includes all the activities and departments of the bank. In 2021, Internal Audit carried out the internal audit work according to its plan approved by the audit committee, which is based on an integrated study and a comprehensive assessment of risks for the units subject to audit (universe items) at the bank's level. In addition, the Internal Audit carried out many other tasks assigned to it by the Bank's management, Audit Committee or the Central Bank of Saudi Arabia.

Internal Control System

The Bank's executive management are responsible for creating an appropriate and effective internal control system that includes policies and procedures prepared under the supervision of the Board of Directors to achieve the Bank's strategic objectives. Accordingly, an integrated system of internal control has been developed as recommended by the regulatory and supervisory authorities, starting with the Banks governance framework, which defines the roles and responsibilities assigned to the board of directors and its committees, as well as the executive management committees, in order to ensure the availability of appropriate oversight at the bank. Additionally, the bank's divisions and departments undertake continues and integrated efforts to improve the control environment through the continuous development and review of policies and procedures to limit any abuses and to avoid and correct any deficiencies in the internal control system. In addition to the roles undertaken by the bank's control functions (e.g. Compliance Division, Risk Management Group, act.), internal audit is considered an independent line of defense from the executive management, where its scope of work includes evaluating the effectiveness of the internal control system, including adherence to the approved policies and procedures. Audit reports that include weaknesses in the internal control system as well as corrective actions are submitted to the Audit Committee and the CEO. The Audit Committee monitors the adequacy and effectiveness of the internal control system to reduce risks and protect the interests of the Bank.

Based on the results of the continuous evaluation of the internal control system during the year 2021, the Board of Directors considers that the internal control system has been adequately designed and effectively implemented and that there are no control gaps or fundamental weaknesses in the Bank's business for the year 2021. This is based on the reasonable assurances provided to the Board of Directors about the internal control system design integrity and effectiveness. In addition, the bank's management believes that the internal control system currently in place is sufficient, works effectively and is regularly monitored, and constantly seeks to strengthen the internal control system, bearing in mind that any internal control system,

regardless of the soundness of its design and the effectiveness of its application, does not provide absolute assurance.

Cash Dividend Policy

The Bank's annual net profits, determined after deducting all general expenses and other costs and establishing necessary reserves to face bad debts, investment losses and contingent liabilities as deemed necessary by the Board in accordance with the Banking Control Law, Companies Law and its regulations and directives of the Saudi Central Bank, are distributed as follows:

1. Zakat due on the Bank's shareholders is calculated and paid by the Bank to the competent authorities.
2. No less than 25% of the remaining net profit shall be transferred after Zakat deduction to the statutory reserve till such reserve becomes at least equal to the Bank's paid-up capital.
3. An amount no less than 5% of the paid-up capital is allocated from the remaining profits, after deducting the statutory reserve and Zakat, is to be distributed to the shareholders, as proposed by the Board of Directors and approved by the General Assembly. If the remaining profit balance accrued to shareholders is not enough to pay this percentage, the shareholders cannot claim payment during the year or the following years, and the General Assembly is not allowed to decide the distribution of a percentage of the profits exceeding the percentage proposed by the Board of Directors.
4. After allocating the amounts mentioned in Clauses 1, 2, and 3, the remainder would be used as recommended by the Board of Directors and approved by the General Assembly.

Major stakeholders

The Bank's major stakeholders who owned more than 5% of shares as at the end of trading on 31 December 2021 are as follows:

No.	Stakeholder name	Percentage (%)
1	Mohammed Ibrahim Alsubeai & Sons Company	19.34
2	Abdullah Ibrahim Alsubeai Investment Co.	11.14
3	Mr. Khalid Abdulrahman AlRajhi	9.12
4	Mr. Abdulrahman Abdulaziz Saleh AlRajhi	6.66

General Assembly Meetings during 2021

Bank Albilad held an extraordinary General Assembly meeting for its shareholders during the fiscal year 2021. The 11th Extraordinary Assembly Meeting was held on 29th Sha'aban 1442 AH (11 April 2021).

A. Attendance record of Board of Directors and Committee Chairs Members for the General Assembly meeting 2021

The General Assembly Meeting was held via video conference, and the attendance record was as follows:

No.	Name	Attendance
1	Mr. Nasser Mohammed AlSubeai	✓
2	Mr. Fahad Abdullah Bindekhyel	✓
3	Mr. Khalid Abdulaziz AlMukairin	✓
4	Mr. Khalid Abdulrahman AlRajhi	✓
5	Mr. Ahmed Abdulrahman Alhussan – Head of Audit Committee	✓
6	Mr. Sameer Omar Baeisa - Chairman of the Nomination and Remuneration Committee	✓
7	Dr. Zeyad Othman Alhekail - Chairman of the Compliance and Governance Committee	✓
8	Mr. Abdulaziz Mohammed AlOnaizan	✓
9	Mr. Adeb Mohammed Abanumai	✓
10	Mr. Haytham Sulaiman AlSuhaimi	✓

B. Results of voting on items of the General Assembly Agenda are as follows:

1. Approval on the Board of Directors' report for the fiscal year ending on 31 December 2020.
2. Approval on the external auditors report for the fiscal year ending on 31 December 2020.
3. Approval on the financial statements for the fiscal year ending on 31 December 2020.
4. Approval on appointing the auditors for the Bank (KPMG Al-Fawzan & Co. (KPMG) and Ernst & Young (EY)) from among the candidates based on the Audit Committee's recommendation. The appointed auditors shall examine, review and audit the (second, third) quarter and annual financial statements of the fiscal year 2021, and the first quarter of the fiscal year 2022, and the determination of the auditors' remuneration.
5. Approval on releasing the members of the Board of Directors from their liabilities for the fiscal year ending on 31 December 2020.
6. Approval on delegating the Board of Directors to distribute interim dividends on a semi-annual or quarterly basis for the fiscal year 2021.
7. Approval on paying an amount of (SAR 3,520,000) as remuneration to the Board members by (320) thousand riyals for each member for the fiscal year ending on 31 December 2020.
8. Approval on amending the Policy of Social Responsibility.
9. Approval on delegating to the Board of Directors the authorisation powers of the General Assembly stipulated in paragraph (1) of Article 71 of the Companies Law, for a period of one year starting from the date of the approval by the General Assembly or until the end of the delegated Board of Directors' term, whichever is earlier, in accordance with the conditions set forth in the Regulatory Rules and Procedures issued pursuant to the Companies Law relating to Listed Joint Stock Companies.
10. Approval to amend Article No. 3 relating to Purposes of the Company, of the Articles of Association of the Bank.
11. Approval to amend Article No. 4 relating to Participation and Merger, of the Articles of Association of the Bank.
12. Approval to amend Article No. 5 relating to Incorporation Term, of the Articles of Association of the Bank.
13. Approval to amend Article No. 6 relating to The Company's Headquarter, of the Articles of Association of the Bank.
14. Approval to amend Article No. 8 relating to Subscription, of the Articles of Association of the Bank.
15. Approval to amend Article No. 9 relating to Shares, of the Articles of Association of the Bank.
16. Approval to amend Article No.10 b is relating to Purchase of the company's Shares and Disposal, of the Articles of Association of the Bank.
17. Approval to amend Article No.13 relating to Capital Increase, of the Articles of Association of the Bank.
18. Approval to amend Article No. 14 relating to Capital Decrease, of the Articles of Association of the Bank.
19. Approval to amend Article No.16 relating to Board Member, of the Articles of Association of the Bank.
20. Approval to amend Article No. 17 relating to Membership Expiry and Replacement, of the Articles of Association of the Bank.
21. Approval to amend Article No.18 relating to the powers and Terms of Reference of the Board of Directors, of the Articles of Association of the Bank.
22. Approval to amend Article No.19 relating to Committees of the Board and the Audit Committee, of the Articles of Association of the Bank.
23. Approval to amend Article No.20 relating to Rewards, of the Articles of Association of the Bank.
24. Approval to amend Article No.21 relating to The Chairman, Vice Chairman, Managing Director and Secretary, of the Articles of Association of the Bank.
25. Approval to amend Article No.22 relating to Meetings, of the Articles of Association of the Bank.
26. Approval to amend Article No.23 relating to Quorum of Meetings, of the Articles of Association of the Bank.
27. Approval to amend Article No.24 relating to Resolutions of the Board, of the Articles of Association of the Bank.
28. Approval to amend Article No.25 relating to Shareholders Assemblies, of the Articles of Association of the Bank.
29. Approval to amend Article No. 26 relating to Terms of Reference of the Constituent Assembly, of the Articles of Association of the Bank.
30. Approval to amend Article No.27 relating to Ordinary General Assembly, of the Articles of Association of the Bank.
31. Approval to amend Article No.28 relating to Extraordinary General Assembly, of the Articles of Association of the Bank.
32. Approval to amend Article No.29 relating to Convention of the General Assemblies of Shareholders, of the Articles of Association of the Bank.

Association of the Bank.

33. Approval to amend Article No.30 relating to Method of Attendance, of the Articles of Association of the Bank.
34. Approval to amend Article No.34 relating to Resolutions, of the Articles of Association of the Bank.
35. Approval to amend Article No.40 relating to Financial Documents, of the Articles of Association of the Bank.
36. Approval to amend Article No.41 relating to Distribution of profits, of the Articles of Association of the Bank.
37. Approval to amend Article No.44 relating to Company Losses, of the Articles of Association of the Bank.
38. Approval to amend Article No.45 relating to Mechanisms of Company Liquidation, of the Articles of Association of the Bank.
39. Approval to amend Article No.46 relating to Companies law and Relevant Regulations, of the Articles of Association of the Bank.
40. Approval to amend Article No. 47 relating to Deposit of the Articles of Association, of the Articles of Association of the Bank.

Code of Ethics and Professional Conduct

The code of ethics, professional conduct and pertinent principles are the cornerstones of the Bank Albilad Group in terms of its business ethics and professional conduct. Adopting these principles enables the Group to realize the Bank's vision and mission, and protects all its stakeholders including investors, clients and customers. It also protects the Bank's interests, helps grow its business, reputation and brand. The Bank has successfully earned its respectful reputation by adhering to its banking principles and values that are based on Islamic Sharia rules and compliant with laws, regulations, guidelines, and directives issued and stipulated by regulatory authorities such as the Saudi Central Bank and the Capital Market Authority.

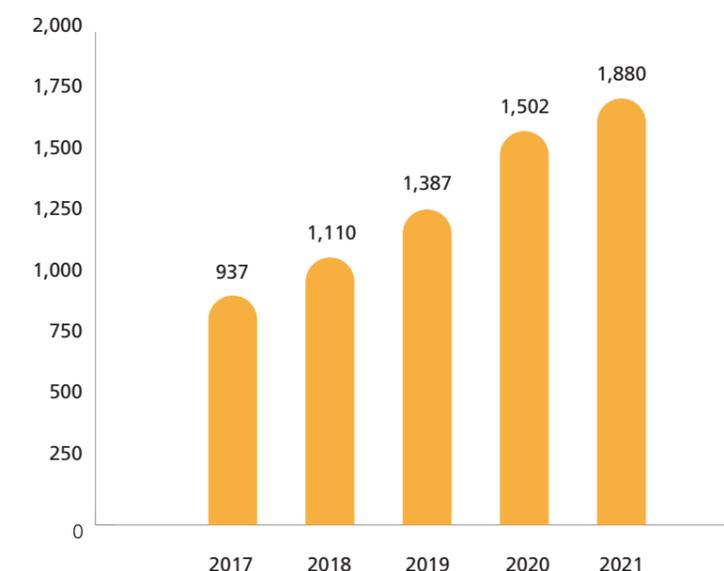
This positive reputation is also attributed to the commitment and dedication of all Bank employees, who are eager to provide customers with the best possible banking services at world-class level, both professionally and ethically. Trust, responsibility, integrity and respect are the core elements on which this reputation has been established, and the main reason the Bank is able to provide its customers with exceptional value. They are also the basis for all commitments held by the Bank towards the various stakeholders, in order to maintain its values and principles. Such commitment requires that all employees, with no exception, shall their job duties towards customers and all counterparties in a way that reflects on the good image of the Bank, maintains its reputation and avoids any risk or damage arising from disrespectful behavior inside or outside the Bank, within the Kingdom or abroad. By the same token, all Bank employees shall treat others with respect and dignity, be held responsible for their actions, and abide by both the letter and the spirit of applicable laws. Bank Albilad employees are also required to be open-minded, direct, and honest to aid the making of fact-based high-level decisions.

Operational Results

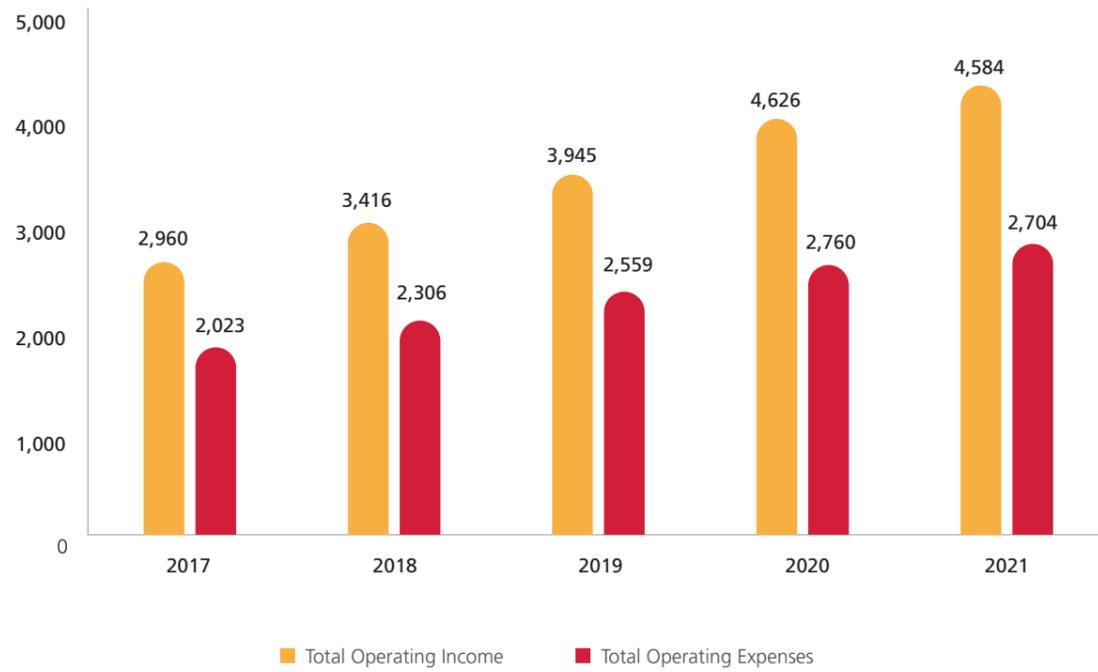
During the year 2021, the Bank net income of SAR 1,687 million after Zakat compared to SAR 1,349 million in 2020, an increase of 25%.

Further, the Bank net income before Zakat for the year 2021 of SAR 1,880 million compared to a net income of approximately SAR 1,502 million 2020, an increase of SAR 378 million or 25%. This growth was mainly due to the increase of total operating income by 8%, as a result of the net income of investment and financing assets increase by 6%, to reach SAR 3,489 million. On the other hand, the total operating expenses decreased by 2% to reach SAR 2,704 million, as a result of the decrease in the impairment charge for expected credit losses, net.

Net Income Return to the Bank's Shareholders In the Past Five Years (SAR Million)



(SAR Million)

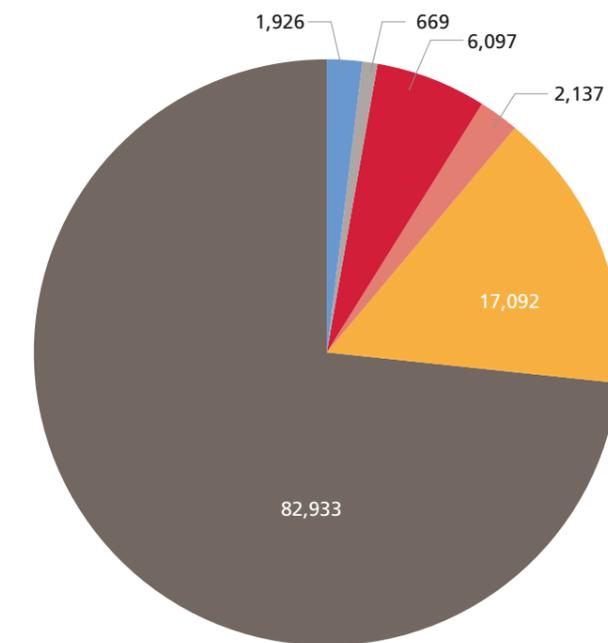


Financial Position

Assets

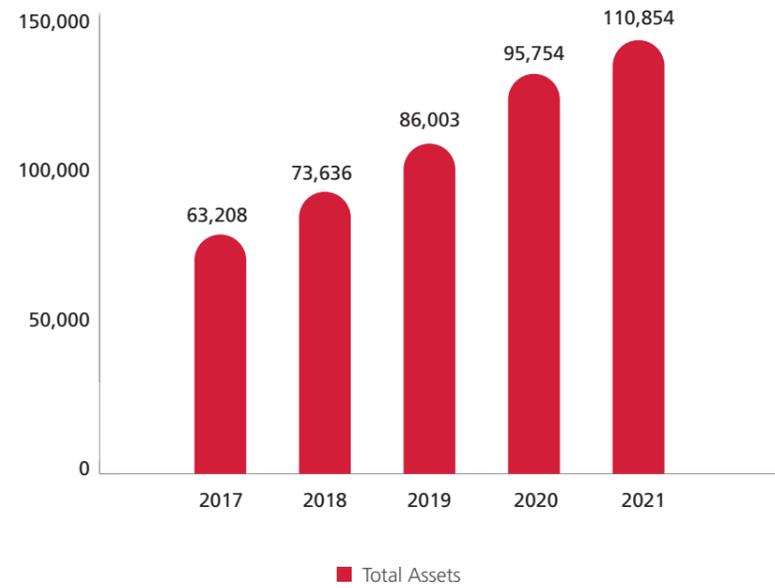
By the end of the year 2021, the bank's assets amounted to SAR 110,854 million, compared to SAR 95,754 million in the 2020, i.e. an increase of SAR 15,100 million or 16% compared to last year. The increase in financial assets is due to the increase in the bank's financing and investments.

Composition of Asset (SAR Million)

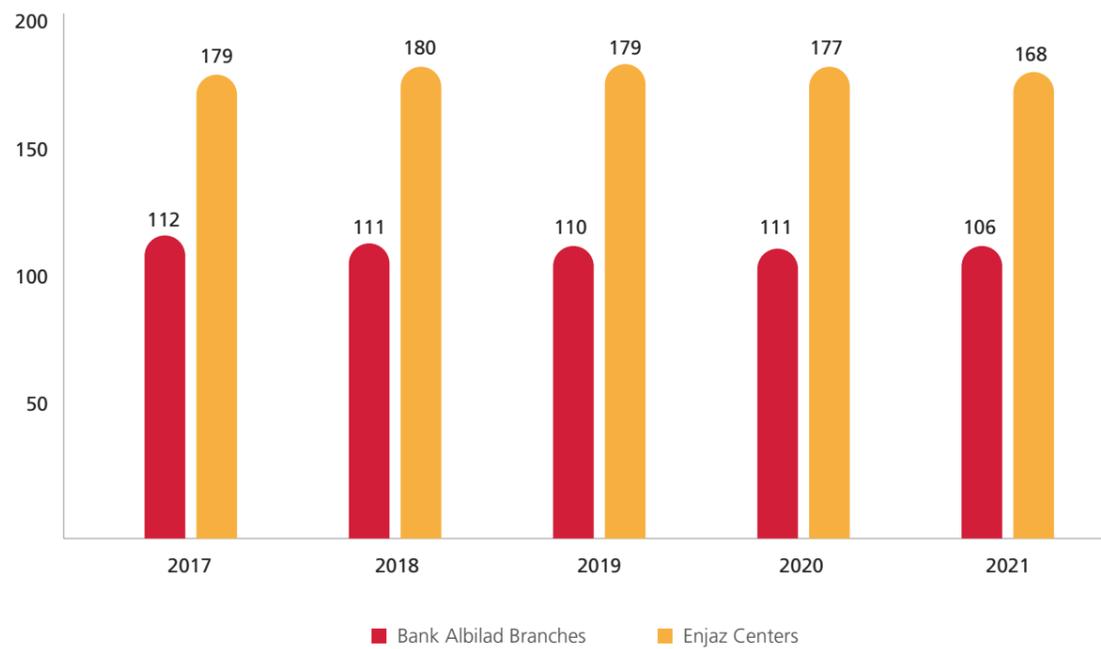


- Cash and balances with Saudi Central Bank
- Due from banks and other financial institutions, net
- Investments, net
- Financing, net
- Property, equipment and right to use assets, net
- Other assets

(SAR in Million)



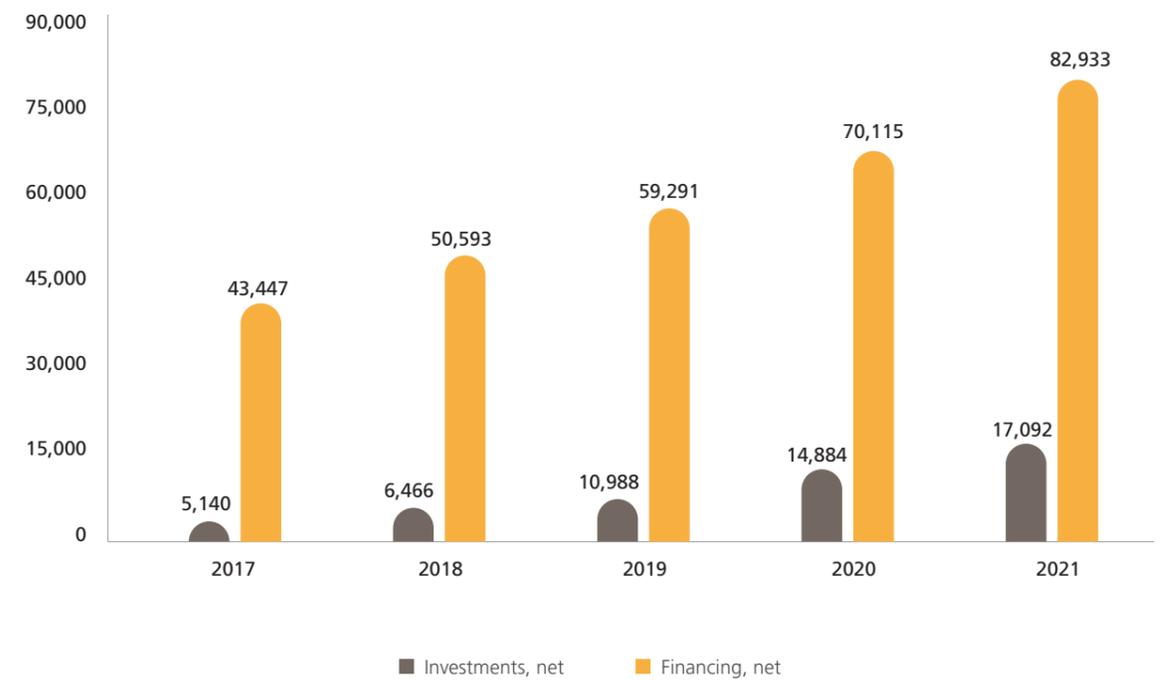
(SAR Million)



Net Financing and Investments

The net financing portfolio increased by SAR 12,818 million or 18.3% to reach SAR 82,933 million at the end of December 2021. Likewise, the investment portfolio recorded an increase of SAR 2,209 million or 14.8% to reach SAR 17,092 million.

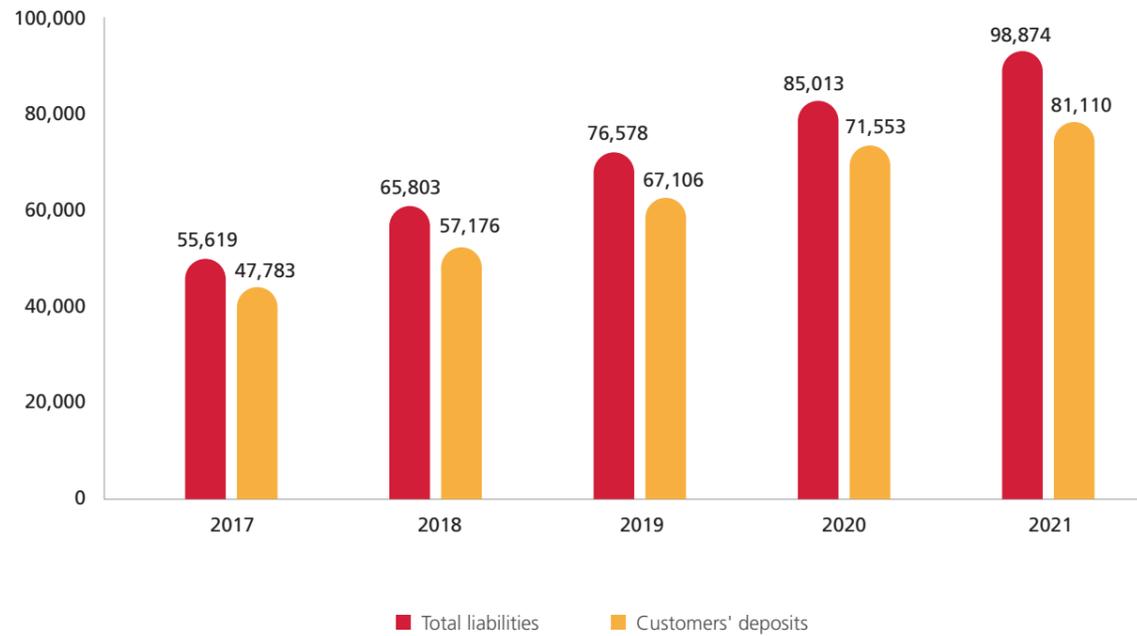
(SAR Million)



Customers' Deposits

The Customers' deposits increased by SAR 9,558 million or 13.4%, to reach SAR 81,110 million by the end of the year 2021, compared to SAR 71,553 million by the end of the year 2020.

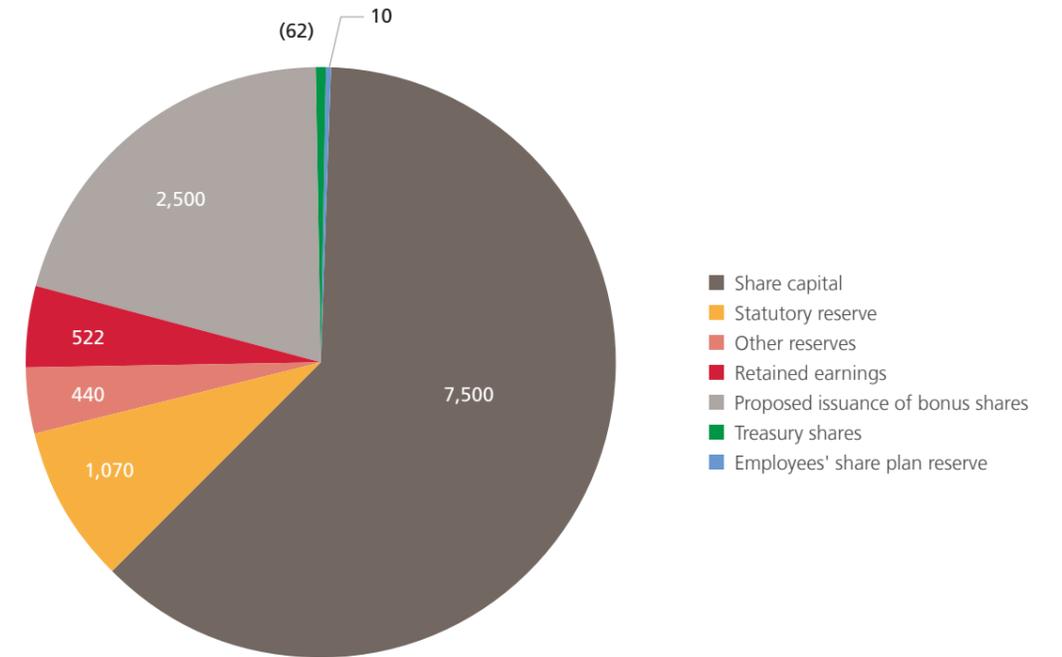
(SAR Million)



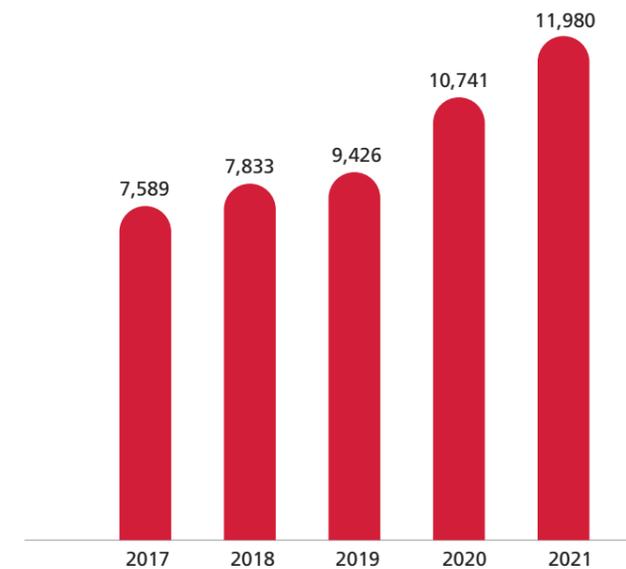
Owners' Equity

Total equity recorded an increase of SAR 1,239 million, or 11.5% to reach SAR 11,980 million by the end of December 2021, compared to SAR 10,741 million by the end of December 2020. This is mainly attributed to the increase of the bank's net income. Issued common shares totaled 750 million shares. Capital adequacy ratio of 18.74% by the end of 2021. The bank's return on average assets reached 1.63% after zakat deduction, whereas return on average equity reached 14.85% and earnings per share amounted to SAR 2.26.

Composition of Equity (SAR Million)



Total Equity for the past five years (SAR Million)



Financial Statistics

The following is an analysis of the most important items in the consolidated statement of financial position:

(SAR million)	2021	2020	2019	2018	2017
Investments, net	17,092	14,884	10,988	6,466	5,140
Financing, net	82,933	70,115	59,291	50,588	43,447
Total assets	110,854	95,754	86,003	73,636	63,208
Customers' deposits	81,110	71,553	67,106	57,176	47,783
Total liabilities	98,874	85,013	76,578	65,803	55,619
Total owners' equity to the Bank's shareholders	11,980	10,741	9,426	7,833	7,589

(SAR million)	2021	2020	Change	Change %
Investments, net	17,092	14,884	2,100	14.8%
Financing, net	82,933	70,115	12,818	18.3%
Total assets	110,854	95,754	15,100	15.8%
Customers' deposits	81,110	71,553	9,557	13.4%
Total liabilities	98,874	85,013	13,861	16.3%
Total owners' equity to the Bank's shareholders	11,980	10,741	1,239	11.5%

Analysis of the main items of the consolidated statement of income

(SAR million)	2021	2020	2019	2018	2017
Income from investing and financing assets, net	3,489	3,293	2,824	2,164	1,739
Fee and commission, net	731	627	677	843	834
Exchange income, net	313	362	314	316	310
Total operating income	4,584	4,262	3,945	3,416	2,960
Impairment charge for expected credit losses, net	570	695	543	490	379
Total operating expenses	2,704	2,760	2,559	2,306	2,023
Net income for the year before zakat	1,880	1,502	1,387	1,111	936
Zakat for the year	194	153	143	498	-
Net income for the year after zakat	1,687	1,349	1,244	613	936
Belonging to					
Returns to Bank's shareholders	1,687	1,349	1,244	613	942
Uncontrolled shareholding	-	-	-	-	(6)
Net income for the year after zakat	1,687	1,349	1,244	613	936

(SAR million)	2021	2020	Change	Change %
Income from investing and financing assets, net	3,489	3,293	196	6%
Fee and commission, net	731	627	104	17%
Exchange income, net	313	362	(49)	(14%)
Total operating income	4,584	4,262	322	8%
Impairment charge for expected credit losses, net	570	695	(125)	(18%)
Total operating expenses	2,704	2,760	(56)	(2%)
Net income for the year before zakat	1,880	1,502	378	25%
Zakat for the year	194	153	41	26%
Net income for the year after zakat	1,687	1,349	338	25%

Applied Accounting Standards

These consolidated financial statements of the Group as at and for the year ended 31 December 2021 and 31 December 2020, respectively, were prepared in compliance with the International Financial Reporting Standards ("IFRS") respectively, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") and the Banking Control Law and the Regulations for Companies in the Kingdom of Saudi Arabia.

Key business sectors and activities of the Bank and its subsidiaries

The Bank and its subsidiaries practice the following activities:

Retail banking	Services and products to individuals, including deposits, financing, remittances and currency exchange.
Corporate banking	Services and products to corporate customers including deposits, financing and trade services.
Treasury	Money market and treasury services.
Investment banking and brokerage	Investment management services and asset management activities related to dealing, managing, arranging, advising and custody of securities.

Impact of key activities on the Bank businesses and total revenues are illustrated as follows:

2021 (SAR million)	Activity Revenues	%
Retail banking	2,922,221	64%
Corporate banking	781,802	17%
Treasury	641,189	14%
Investment banking and brokerage	238,738	5%
Total	4,583,950	100%

Geographical analysis of the Bank total operating income and its subsidiaries

Analysis of the total operating income by region

(SAR Million)	Central	Western	Eastern	Total
Total Income for the Year 2021	2,718	1,076	790	4,584

Most of Bank Albilad's revenue (including its subsidiaries) are mainly achieved inside the Kingdom of Saudi Arabia. The Bank has no branches or companies operating outside the Kingdom of Saudi Arabia.

Bank Subsidiaries:

Bank Albilad owns two subsidiaries as follows:

Company name	Establishment date	Main activity	Capital	Country of operations	Country of establishment	Ownership (%)
Albilad Investment Company (Albilad Capital)	20 November 2007	Performs investment services and assets management activities represented in arranging, managing, counseling and holding securities.	SAR 200 million	Riyadh, Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	100%
Albilad Real Estate Company Ltd.	17 September 2006	Carries out registration procedures related to real estate guarantees provided to the Bank by its customers as collaterals.	SAR 500,000	Riyadh, Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	100%

Strategic Investment

Company Name	Establishment date	Main activity	Authorized capital	Paid capital	Country of operations	Country of establishment	Ownership (%)
Bayan Credit Information Company	28 December 2015	The Company provides credit information services, valuation services, credit valuation and consultation for companies and businesses.	SAR 100 million	SAR 75 million	Riyadh, Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	18.75%

Summary of the financial results of the Bank and its subsidiaries (Group) as of 31 December 2021

2021 (SAR thousand)	Retail sector	Corporate sector	Treasury	Investment banking and brokerage	Total
Total assets	50,918,040	38,374,069	20,355,034	1,206,561	110,853,704
Total liabilities	58,258,732	19,122,997	21,063,801	428,084	98,873,614
Net income from investment and financing assets	2,278,684	715,461	483,090	12,259	3,489,494
Fee, commission and other income, net	643,537	66,341	158,099	226,479	1,094,456
Total operating income	2,922,221	781,802	641,189	238,738	4,583,950
Impairment charge for expected credit losses, net	149,847	419,878	(5,787)	5,731	569,669
Depreciation and amortization	221,901	49,273	2,614	2,666	276,454
Total operating expenses	1,864,315	651,294	68,946	119,198	2,703,753
Net income for the year before zakat	1,057,906	130,508	572,243	119,540	1,880,197

Consolidated financial statements include all financial statements of the Bank and its subsidiaries, which are Albilad Investment Company and Albilad Real Estate Company, collectively referred to as the "Group".

Penalties imposed on the Banks and its subsidiaries by the Supervisory Authorities

During the year 2021, financial penalties were imposed on the Bank and its subsidiaries because of violations in the operating activities. All of which have been remedied.

The table below illustrates the penalties imposed on the Bank by the Saudi Central Bank:

Penalty subject	2020	
	Number of penal decisions	Total amount of financial penalties SAR
Penalties of not committing to the instructions given by the Saudi Central Bank	14	1,591,000
Penalties of not committing to the instructions given by the Saudi Central Bank related to customers' safety	3	2,007,800
Penalties of not committing to the instructions given by the Saudi Central Bank on due diligence	-	-
Penalties of not committing to the instructions given by the Saudi Central Bank related to enhancing ATMs and POS devices	-	-
Penalties on not committing to the instructions given by the Saudi Central Bank to prohibit money laundry and terrorism finance	1	400,000
Total	18	3,998,800

Penalty subject	2021	
	Number of penal decisions	Total amount of financial penalties SAR
Penalties of not committing to the instructions given by the Saudi Central Bank	4	245,000
Penalties of not committing to the instructions given by the Saudi Central Bank related to customers' safety	2	1,584,800
Penalties of not committing to the instructions given by the Saudi Central Bank on counterfeit currency	7	45,000
Penalties of not committing to the instructions related to data request	1	504,000
Penalties of not committing to the instructions related to AML & CTF	1	365,000
Penalties of not committing to the instructions related to Examination instructions	1	18,000
Penalties of not committing to the instructions related to financial security measures	1	100,000
Total	17	2,861,800

The table below illustrates the penalties imposed on the Bank from supervisory and regulatory authorities:

Supervisory authorities	Number of penalties	Total number of penalties SAR	Penalties brief
ATM Violations for the year of 1442 AH	31	237,000.00	Increasing the percentage of construction on the site beyond the permissible limit + unavailability of entry and exit paths + lack of setback + posters
ENJAZ Branches violations for the year 1442 AH	66	33,000.00	Violation plates (flag)
Albilad Branches violations for the year 1442 AH	3	6,000.00	Violation plates (flag)
Albilad Branch violation	1	34,250.00	Unavailability of an operating license for the branch due to the lack of a building license for the site
Total	101	310,250.00	-

The Bank seeks to avoid the recurrence of these penalties by adopting policies and allocating the necessary resources in line with the instructions of the supervisory and regulatory authorities.

Small, Medium and Micro Enterprises

Qualitative Disclosure

During 2021, the Bank was keen to complete its expansion policy in this sector, to contribute and implement the Kingdom's Vision 2030 and to meet the needs of this sector in terms of banking by providing distinguished financing programs and innovative, specialized banking solutions directed to several governmental and private sectors.

Accordingly, the Bank's contribution in the financings' Guarantee for Small and Medium Enterprises program "Kafalah" has been increased significantly and advanced positions are obtained at the "Finance Gateway" affiliated to The Small, Medium and Micro enterprises Authority "Monshaat", which stimulates maximum benefit from Kafalah program for the small, medium, and micro enterprises sector. Several strategic partnerships with supervisory and regulatory authorities for this sector were also discussed, in addition to supporting the targeted activities within the Kingdom's Vision 2030.

As well as continuing to strengthen the relationship with customers and provide them with the best banking practices through holding several specialized workshops for them presented by several specialists in the field of trade finance and electronic services. And conducting several questionnaires about the services provided to survey the opinions of customers and evaluate their experience with the bank and work to improve it.

Quantitative Disclosure

(SAR million – 2021)				
Details	Micro	Small	Medium	Total
Direct facilities provided to MSMEs	121	943	10,665	11,729
Indirect facilities provided to MSMEs (face value)	613	225	1,095	1,933
Direct facilities provided to MSMEs as percentage to total direct facilities	0.14%	1.10%	12.46%	13.71%
Indirect facilities provided to MSMEs as percentage to total indirect facilities	6.21%	2.28%	11.08%	19.57%
Number of direct and indirect facilities				
Number direct and indirect facilities customers	952	278	214	1,444
Number of direct and indirect facilities guaranteed by Kafalah Program	101	194	75	370
Total direct and indirect facilities guaranteed by Kafalah Program	59	385	582	1,026

(SAR Million – 2020)				
Details	Micro	Small	Medium	Total
Direct facilities provided to MSMEs	33	1,305	8,912	10,250
Indirect facilities provided to MSMEs (face value)	518	255	984	1,757
Direct facilities provided to MSMEs as percentage to total direct facilities	0.05%	1.81%	12.37%	14.23%
Indirect facilities provided to MSMEs as percentage to total indirect facilities	7.03%	3.46%	13.37%	23.86%
Direct and indirect facilities				
Number direct and indirect facilities customers	767	267	233	1,267
Number of direct and indirect facilities guaranteed by Kafalah Program	19	137	47	203
Total direct and indirect facilities guaranteed by Kafalah Program	22	304	385	711

Financing and Issued Sukuk

In the course of its normal activities, Bank Albilad exchanges finance with other banks and the Saudi Central Bank.

On August 30, 2016, the Bank issued 2,000 Tier 2 Sukuk Certificates (Sukuk) of SR 1 million each, and payable quarterly in arrears on February 28, May 30, August 30, November 30 each year until August 30, 2026, on which date the Sukuk will be redeemed. During the year, the Bank exercised the call option on its previous sukuk and recalled Sukuk amounting to SAR 1,061 million. These arrangements were approved by the regulatory authorities and the Board of Directors of the Bank.

On April 15, 2021, the Bank issued 3,000 Teir 2 Sukuk Certificates (Sukuk) of SR 1 million each, and payable quarterly each year until April 15, 2031. The Bank has a call option which can be exercised on or after April 15, 2026 as per the terms mentioned in the related offering circular. The expected profit distribution on the sukuk is the base rate for three months in addition to a profit margin of 1.65%.

The offer also included an option for the holders of the SAR 2 billion Sukuk (due 2026) that were previously issued by the Bank (the "Previous Sukuk") to exchange their investment in the Previous Sukuk with an investment in the Tier 2 Sukuk, subject to the terms and conditions of the Sukuk. Certain Sukuk holders with carrying value of SR 939 million have exercised their exchange option and subscribed into the investment in the Tier 2 Sukuk.

Basic and Diluted Earnings Per Share

Basic and diluted earnings per share for the years ended December 31, 2021 and 2020 is calculated by dividing the net income for the year attributable to the equity holders by the weighted average number of outstanding shares 2021: 746 million shares (2020: 746 million shares) during the year adjusted for treasury shares.

End of Service Benefits

The bank's employees end of service is provided according to the Saudi labor law and is included among other liabilities in the consolidated statement of financial position.

Employees' Share Program

The Bank offers its eligible employees an equity-settled share-based payment plan as approved by central bank. As per the plan, eligible employees of the Bank are offered stocks to be withheld out of their annual bonus payments.

The cost of the plan is measured by reference to the fair value at the date on which the stocks are granted.

The cost of the plan is recognized over the period in which the service condition is fulfilled, ending on the date on which the relevant employees become fully entitled to the stock option ('the vesting date'). The cumulative expense recognized for the plan at each reporting date until the vesting date, reflects the extent to which the vesting period has expired and the Bank's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the consolidated statement of income for a year represents the movement in cumulative expense recognized as at the beginning and end of that year.

The Bank, with the approval from central bank, has entered into an agreement with an independent third-party for custody of the shares under the plan, plus any benefits accrued there-on.

The Bank has following share-based payment plans outstanding at the end of the year. Significant features of these plans are as follows:

Maturity dates	Between January 2022 and December 2024
Total number of shares granted	1,709,132
Grant Period	3 years
Method of settlement	Equity
Fair value of share on grant date	Average of SAR 29.51

The shares are granted only under service condition with no market condition associated with them.

Transactions with Related Parties

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

The nature and balances of transactions with the related parties for the years ended December 31 are as follows:

A. Directors, key management personnel, other major shareholders, their affiliates balances and others

Details	2021 SAR '000
Finance*	4,214,721
Finance**	3,985,665
Commitments and contingencies	117,861
Deposits	72,948

* The amounts of credit facilities used according to the definition of the related parties according to the international financial reporting standards.

** The values of the amounts of the credit facilities used according to the definition of the related parties in accordance with the international standards for financial reports and the regulations of the Capital Market Authority and the Saudi Central Bank.

B. Group's mutual funds

These are the outstanding balances with Group's mutual funds as of December 31:

Details	2021 SAR '000
Customers deposits	21,367
Investments - units	373,842

C. Income and expense

Directors, key management personnel, other major shareholders and their affiliates and mutual funds managed by the Group:

Details	2021 SAR '000
Income	152,992
Expenses	14,016

D. The total amount of compensation paid to key management personnel during the year is as follows

Details	2021 SAR
Employee benefits	112,045

Major shareholders are those who own 5% or more of the bank's capital. Senior executives mean those persons who have the authority and responsibility to carry out the planning, direction and supervision of the Bank's direct and indirect activities.

The following table lists information of the activities and contracts to which the Bank was a party and in which any of the Board Members or Senior Executive or any person related to any of them has interest in, during 2021 (all amounts in SAR).

No.	Related Party	Member/ party having direct or indirect interest	Reason	Nature of the relationship/conflict	Annual contract value (SAR)	Contract duration
1	A. Abdulrahman Saleh Al-Rajhi	A. Khalid bin Abdulrahman Al-Rajhi	Father of a board member of Bank Albilad.	Lease of Enjaz Center - Khafji Governorate, owned by Mr. Abdulrahman bin Saleh Al Rajhi	150,000	From 11/04/2010 Until 10/04/2024
2	A. Abdulrahman Abdulaziz Al Rajhi	A. Abdulrahman Abdulaziz Al Rajhi	Major shareholders in Bank Albilad	Lease of The Enjaz Main Center - Yanbu City, owned by Mr. Abdulrahman bin Abdulaziz bin Saleh Al Rajhi	180,000	From 09/08/2010 To 08/08/2025
3	A. Abdulrahman Abdulaziz Al Rajhi	A. Abdulrahman Abdulaziz Al Rajhi	Major shareholders in Bank Albilad	Lease of al-Balad Al-Khabib branch - Buraida City, owned by Mr. Abdulrahman bin Abdulaziz bin Saleh Al Rajhi	400,000	From 01/06/2005 To 31/05/2025
4	Mohammed Ibrahim Al-Subai'i & Sons (MASIC)	A. Nasser bin Mohammed Al-Subai'i	Chairman of the Board of Directors of Bank Albilad MASIC's board member.	LEASE OF ATM SITE - RIYADH CITY OWNED BY MOHAMMED IBRAHIM AL-SUBAI'I & SONS (MASIC)	25,000	From 01/12/2019 Until 30/11/2029
		Mohammed Ibrahim Al-Subai'i & Sons (MASIC)	Major shareholders in Bank Albilad			
4	Mohammed Ibrahim Al-Subai'i & Sons (MASIC)	Khalid Bin Saleh Al-Halil	Member of Bank Albilad Nominations and Rewards Committee Member of Albilad Capital Board of Directors MASIC's board member.			
5	MASIC Logistics Co.	A. Nasser bin Mohammed Al-Subai'i	Chairman of the Board of Directors of Bank Albilad MASIC's board member.	Atm site - Riyadh City held its return on investment to MASIC Logistics.	60,000	From 18/03/2018 Until 17/03/2028
6	Argan Houses Company	A. Nasser bin Mohammed Al-Subai'i	Chairman of the Board of Directors of Bank Albilad Board Member of Al-Arjan Houses	ATM site contract - Jubail City owned by Al-Arjan Houses	90,000	From 05/08/2018 To 04/08/2025

No.	Related Party	Member/ party having direct or indirect interest	Reason	Nature of the relationship/conflict	Annual contract value (SAR)	Contract duration
7	Argan Houses Company	A. Nasser bin Mohammed Al-Subai'i	Chairman of the Board of Directors of Bank Albilad Board Member of Al-Arjan Houses	ATM site contract - Yanbu City, owned by Al-Arjan Houses	80,000	From 01/09/2018 To 31/08/2025
8	Argan Houses Company	A. Nasser bin Mohammed Al-Subai'i	Chairman of the Board of Directors of Bank Albilad Board Member of Al-Arjan Houses	ATM site contract - Yanbu City, owned by Al-Arjan Houses	80,000	From 01/09/2018 To 31/08/2025
9	Mohammed Ibrahim Al-Subai'i & Sons (MASIC)	A. Nasser bin Mohammed Al-Subai'i	Chairman of the Board of Directors of Bank Albilad MASIC's board member.	Lease of the completion center of the Southern Khalidiya branch - Dammam City, owned by Mohammed bin Ibrahim Al-Subai'i and his children	174,790	From 05/12/2016 To 04/12/2026
		Mohammed Ibrahim Al-Subai'i & Sons (MASIC)	Major shareholders in Bank Albilad			
9	Mohammed Ibrahim Al-Subai'i & Sons (MASIC)	Khalid Bin Saleh Al-Halil	Member of Bank Albilad Nominations and Rewards Committee Member of Albilad Capital Board of Directors MASIC's board member.			

No.	Related Party	Member/ party having direct or indirect interest	Reason	Nature of the relationship/conflict	Annual contract value (SAR)	Contract duration
10	Mohammed Ibrahim Al-Subai'i & Sons (MASIC)	A. Nasser bin Mohammed Al-Subai'i	Chairman of the Board of Directors of Bank Albilad MASIC's board member.	Lease of ATM site - Riyadh City, owned by Mohammed bin Ibrahim Al-Subai'i & Sons	100,000	From 03/07/2015 To 02/07/2025
		Mohammed Ibrahim Al-Subai'i & Sons (MASIC)	Major shareholders in Bank Albilad			
11	Mohammed Ibrahim Al-Subai'i & Sons (MASIC)	Khalid Bin Saleh Al-Halil	Member of Bank Albilad Nominations and Rewards Committee Member of Albilad Capital Board of Directors MASIC's board member.	Lease of Enjaz Industrial Center II - Riyadh City, owned by Mohammed bin Ibrahim Al-Subai'i & Sons	472,000	From 15/11/2016 Until 14/11/2026
		A. Nasser bin Mohammed Al-Subai'i	Chairman of the Board of Directors of Bank Albilad MASIC's board member.			
12	Kanan International Real Estate Development Company	Khalid Bin Saleh Al-Halil	Member of Bank Albilad Nominations and Rewards Committee / Member of Albilad Capital Board of Directors MASIC's board member.	Lease of the country branch Dana Mall 729 - First three years 133,504 - Second three years 146,020 - Four good years 158,536	133,504	From 01/01/2019 Until 31/12/2028
		A. Abdullah Al-Arifi	As a board member of Kanan International - representing Bank Albilad Executive Vice President of Risk			

No.	Related Party	Member/ party having direct or indirect interest	Reason	Nature of the relationship/conflict	Annual contract value (SAR)	Contract duration
13	Riyadh Construction Company	A. Nasser bin Mohammed Al-Subai'i	- Chairman of the Board of Directors of Bank Albilad - Related (AP) with A. Majid bin Nasser Al-Subai'i, Board Member of Riyadh Reconstruction Company	Car Auction Agreement	Individual prices	From 05/04/2020 To 04/04/2022
		Khalid Bin Saleh Al-Halil	- Member of the Nominations and Rewards Committee Of Bank Albilad / Member of Albilad Capital Board of Directors			
14	Riyadh Development Company	A. Nasser bin Mohammed Al-Subai'i	- Chairman of the Board of Directors of Bank Albilad - Related (AP) with A. Majid bin Nasser Al-Subai'i, Board Member of Riyadh Reconstruction Company	Money transfer services promised	Individual prices	From 28/12/2019 To 27/12/2020
		Khalid Bin Saleh Al-Halil	- Member of the Nominations and Rewards Committee Of Bank Albilad / Member of Albilad Capital Board of Directors			
15	Saudi Automotive and Equipment Services Company (Sasco)	A. Nasser bin Mohammed Al-Subai'i	- Chairman of the Board of Directors of Bank Albilad - A(AP) relationship with A. Majid bin Nasser Al-Subai'i, board member of Sasco	Lease of a cashier's site to Taif City, owned by Sasco	65,000	From 01/01/2021 To 31/12/2025
16	Khalid Company Abdulaziz Al , Maqairn And his children.	A. Khalid Bin Abdulaziz Al-Meqairn	Board Member of Bank Albilad	Office lease no. (101,102,103,104) leased to Al Balad Financial Company, located on King Fahd Road in Riyadh (Burj Smart), owned by Khalid Abdulaziz Al , Maqairn Sons Holding has the right to rent the property.	2,000,700	From 01/01/2021 to 31/12/2023

No.	Related Party	Member/ party having direct or indirect interest	Reason	Nature of the relationship/conflict	Annual contract value (SAR)	Contract duration
17	Khalid Company Abdulaziz Al , Maqairn And his children.	A. Khalid Bin Abdulaziz Al-Meqairn	Board Member of Bank Albilad	Office Lease No. (401) leased to Al Balad Investment Company, located on King Fahd Road in Riyadh (Burj Smart), owned by Khalid Abdulaziz Al , Maqairn And sons holding the right to rent the property	247,650	From 01/01/2021 to 31/12/2023
18	Albilad Capital	Albilad Capital	Albilad Capital is wholly owned by Bank Albilad	Support services contract	2,500,000	From 01/01/2017 and the contract continues
19	Albilad Capital	Albilad Capital	Albilad Capital is wholly owned by Bank Albilad	Rent an office within the specialist branch in Riyadh Bank of the country	281,964	There is no contract between the financial country and Bank Albilad.
20	Albilad Capital	Albilad Capital	Albilad Capital is wholly owned by Bank Albilad	Rent an office inside al-Rayyan branch in Riyadh - Bank of the Country	151,698	There is no contract between the financial country and Bank Albilad.
21	Albilad Capital y	Albilad Capital	Albilad Capital is wholly owned by Bank Albilad	Providing advisory services to Bank Albilad Advisory services fees for 2021	3,855,833	From 01/01/2021 To 31/12/2021
22	A. Al-Jawhara Bint Fahd bin Dakhil	A. Fahad bin Abdullah bin Dakhil	Daughter of the Chairman of Albilad Capital	Margin financing contract	33,800,000	From 17/01/2021 To 16/01/2022
23	A. Al-Jawhara Bint Fahd bin Dakhil	A. Fahad bin Abdullah bin Dakhil	Daughter of the Chairman of Albilad Capital	Margin financing contract	19,759,932	From 29/04/2021 to 28/04/2022
24	Albilad Capital	Albilad Capital	Albilad Capital is wholly owned by Bank Albilad	Contract to manage the bank's portfolio Administrative fees for 2021	2,118,750	From 12/10/2016 The contract ends with a letter from Bank Albilad.
25	Albilad Capital	Albilad Capital	Albilad Capital is wholly owned by Bank Albilad	Contract of the Department of Conservation of Bank Albilad Instruments Conservation fees for 2021	172,500	From 30/08/2016 to 30/08/2026

No.	Related Party	Member/ party having direct or indirect interest	Reason	Nature of the relationship/conflict	Annual contract value (SAR)	Contract duration
26	A. Al-Jawhara Bint Fahd bin Dakhil	A. Fahad bin Abdullah bin Dakhil	Daughter of the Chairman of Albilad Capital	Margin financing contract	16,373,742	From 12/08/2021 to 11/08/2022
27	A. Al-Jawhara Bint Fahd bin Dakhil	A. Fahad bin Abdullah bin Dakhil	Daughter of the Chairman of Albilad Capital	Margin financing contract	5,990,322	From 20 December 2021 to 19 December 2022
28	Lamiaa bint Mashari al, Ankari	A. Fahad Bin Dakhil	Wife of the Chairman of Albilad Capital	Margin financing contract	1,729,130	From 22 December 2021 to 16 December 2022
29	Abdullah bin Fahd bin Dakhil	A. Fahad Bin Dakhil	Son of the Chairman of Albilad Capital	Margin financing contract	499,909	From 22 December 2021 to 16 December 2022
30	Brooker Specialist Care Hospital	A. Khalid bin Abdulrahman Al-Rajhi	- Member of the Board of Directors of Bank Albilad	Lease of ATM SITE IN RIYADH CITY	20,000	From 01/06/2020 To 31/05/2025
31	Riyadh Construction Company	A. Nasser bin Mohammed Al-Subai'i	- Chairman of the Board of Directors of Bank Albilad - Related (AP) with A. Majid bin Nasser Al-Subai'i, Board Member of Riyadh Reconstruction Company	Forestry Completion Branch Lease 174	96,900	From 07/02/2018 To 04/12/2023
			Khalid Bin Saleh Al-Halil	- Member of the Nomination and Rewards Committee of Bank Albilad/ Member of Albilad Capital Board of Directors - Member of the Board of Directors of Riyadh Construction Company		
32	National Housing Company	A. Saleh bin Abdullah Al-Hanaki	- Member of Albilad Capital Board of Directors - Board member of The National Housing Company	Lease of 458 sales center owned by Wataniya Housing Company	314,000	From 01/09/2019 to 31/08/2022

No.	Related Party	Member/ party having direct or indirect interest	Reason	Nature of the relationship/conflict	Annual contract value (SAR)	Contract duration
33	National Housing Company	A. Saleh bin Abdullah Al-Hanaki	- Member of Albilad Capital Board of Directors - Board member of The National Housing Company	Lease of sales center 458-1 owned by Wataniya Housing Company	314,000	From 01/12/2020 to 30/11/2021
34	National Housing Company	A. Saleh bin Abdullah Al-Hanaki	- Member of Albilad Capital Board of Directors - Board member of The National Housing Company	Lease of 620 sales center owned by Wataniya Housing Company	600,000	From 01/08/2021 to 31/07/2022
35	National Housing Company	A. Saleh bin Abdullah Al-Hanaki	- Member of Albilad Capital Board of Directors - Board member of The National Housing Company	Lease of 928 sales center owned by Wataniya Housing Company	348,000	From 01/08/2021 to 31/07/2022
36	National Housing Company	A. Saleh bin Abdullah Al-Hanaki	- Member of Albilad Capital Board of Directors - Board member of The National Housing Company	Lease of 719 sales center owned by Wataniya Housing Company	420,000	From 01/07/2021 to 30/06/2022
37	DirectFN - Post Trade Technology Program	A. Saleh bin Suleiman Al-Habib	- Executive Vice President of Operations, Bank Albilad	Software licence agreement	727,500	From 26/03/2021 to 25/03/2024
38	Saudi Automobile and Equipment Services Company (Sasco)	A. Nasser bin Mohammed Al-Subai'i	- Chairman of the Board of Directors of Bank Albilad - A(AP) relationship with A. Majid bin Nasser Al-Subai'i, board member of Sasco	Lease of ATM site in Taif City - owned by Sasco	90,000	From 01/01/2021 Until 31/12/2025
39	Abdullah Ibrahim Al - Subai'i Real Estate Company	Abdullah Ibrahim Al-Subai'i Investment Company (One Person Company)	- Major shareholders in Bank Albilad	Lease branch of Bank Albilad - Acorpio Branch 921 owned by Abdullah bin Ibrahim Al-Subai'i Real Estate Company	2,590,600	From 01/03/2005 To 12/11/2024

Outstanding Statutory Payments

	(SAR million) 2021
Details	
Legal Zakat (1)	194
General Organization for Social Insurance (GOSI) (2)	8.4

1. Legal Zakat – As per the Zakat Acknowledgement to be submitted for 2021, the Bank estimated the outstanding Zakat for 2021 with SAR 194 million (2020: SAR 153 million).
2. The Bank estimated the outstanding amount due to the General Organization for Social Insurance (GOSI) for 2021 with SAR 8.4 million (2020: SAR 8.0 million) to be paid during January 2022.

Value of statutory paid and accrued payments for the period ending on 31 December 2021

Bank Albilad (SAR thousand)				
Item	Paid	Accrued until the end of the annual fiscal year and not paid	Brief	Reasons
Zakat	218,110	193,660	Annual Zakat for 2020 plus the annual installment of settlement for 2021	Zakat for 2021 which will be paid in April 2022
Withholding tax for non-residents	6,555	1,026	Withholding tax for non-residents	December 2021 tax which will be paid in Jan 2022
VAT	116,781	8,723	VAT	December 2021 tax which will be paid in Jan 2022
General Organization for Social (GOSI)	93,495	7,784	Social insurance payments paid during 2021	Social insurance payments for December 2021 which will be paid in Jan 2022
Visa and passport costs	2,598	-	Renewal of residency fees, exit and return fees, and sponsorship transfer	Renewal of foreign employee residency, exit and return fees, and sponsorship transfer
Capital Market Authority	1,892	-	Fees for Capital Market Authority	Fees of the Capital Market Authority in addition to fees for registering employees with it
Municipality fees	3,403	-	Annual Municipality fees	Annual Municipality fees

Albilad Capital Company: (SAR thousand)				
Item	Paid	Accrued until the end of the annual fiscal year and		Reasons
		not paid	Brief	
Zakat	8,455	11,954	Zakat due for 2021	Annual zakat for 2021
Tax	791	56	Tax for non-residents	Tax for non-residents due for Dec 2021
VAT	30,412	7,315	VAT	VAT due for Dec 2021
General Organization for Social Insurance (GOSI)	5,537	495	Social insurance payments paid during 2021	Social insurance payments for December 2021
Visa and passport costs	27	-	Renewal of residency fees, exit and return fees, and sponsorship transfer	Renewal of foreign employee residency, exit and return fees, and sponsorship transfer
Labor office fees	143	-	Work permit fees for foreign employees	Work permit fees for foreign employees
Capital Market Authority	305	-	Fees for Capital Market Authority	Fees of the Capital Market Authority in addition to fees for registering employees with it
Municipality Fees	10	-	Annual Municipality fees	Annual Municipality fees

Capital Adequacy

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

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

The Group monitors the adequacy of its capital using ratios established by central bank. These ratios measure capital adequacy by comparing the Group's eligible capital with its consolidated statement of financial position assets and commitments 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 following table summarizes the Group's Pillar-I Risk Weighted Assets, Tier I and Tier II Capital and Capital Adequacy Ratios.

Details	2021 (SAR '000)
Credit Risk RWA	77,220,576
Operational Risk RWA	8,018,819
Market Risk RWA	224,600
Total Pillar-I RWA	85,483,995
Tier I Capital	12,051,419
Tier II Capital	3,965,257
Total Tier I & II Capital	16,016,676
Capital Adequacy Ratio %	
Tier I ratio	14.10%
Tier I + Tier II ratio	18.74%

Basel Notes – Third Pillar

These notes have been prepared by virtue of SAMA's requirement of quantitative and qualitative notes related to Basel Third Pillar. For reviewing these notes, please visit the Bank's website: www.bankalbilad.com.

Independent Auditors

In the General Assembly meeting held on 29 Shaban 1442H, corresponding to 11 April 2021, KPMG Professional Services and Ernst & Young Professional Services have been appointed as external auditors of the Bank for the fiscal year 2021. As for the year 2022, the auditors will be appointed at the meeting of the General Assembly scheduled to be held in the early second quarter 2022.

Independent Auditors' Report

The auditors submitted unqualified audit report on the Bank's consolidated financial statements for the current fiscal year.

Credit Rating

The below table illustrates the credit rating for the Bank:

Rating Agency	Long-term	Short-term	Future overview
Moody's	A3	P-2	Stable

Communication with Shareholders

The Bank is keen on strengthening its relationship with all its shareholders, investors and customers. Out of a strong belief in the importance of disclosure and transparency to investors, the Board of Directors continues to operate within the scope of governance principles to ensure fair dealings with all shareholders, and clear responsibilities of the Board towards the bank and its shareholders. To this end, the Bank complies with regulations, standards and guidelines of the Saudi Central Bank, CMA, and the Basel Committee's recommendations on corporate governance. The Bank provides comprehensive information on all activities and business operations outlined in its annual reports and condensed financial statements published on the Tadawul website and the Bank's website (www.bankalbilad.com), which contains additional information and news about the Bank including capital increases and cash dividends. The Bank also gives priority to inquiries received from the shareholders and responds promptly and encourages shareholders to attend the annual General Assembly meetings either in person or by remote voting. The Bank seeks to continuously improve its website to offer the best services possible.

Actions taken by the Board of Directors to inform its Members of shareholders' feedback about the Bank and its performance

The Bank continuously seeks to protect the rights of the stakeholders, especially the shareholders. These rights are detailed in the Bank's articles of association or in the policies, manuals and relevant procedures. The most important relevant right is the right to attend the ordinary and extraordinary General Assembly meetings, to discuss their agenda and ask questions to the Board, auditors and the Executive Management. They have the right to submit their recommendations and notes regarding the Company and its performance according to specific procedures. The Board members reviews such feedback whether received directly during General Assembly meetings, by reading the minutes of the meetings in this regard or received through specific channels. that include the details or by being informed in the first meeting of the Board. The recommendations submitted by the shareholders and others should be included in the minutes of the meetings, if available, noting that the current Board of Directors include only one executive member, while the other members are either non-executive or independent.

Voting shares interests

There are no interest rights in the category of voting shares for individuals who informed the Bank of these rights (except for the Bank's Board Members, Senior Executives and their spouses and minor children)

Waiver of the Interests rights of the Shareholders, Board Members or Senior Executives

- There are no arrangements or agreements with any one of the Board Members or the Senior Executives for the waiver of salaries, remunerations or compensations.
- There are no arrangements of agreements with any of the shareholders for the waiver of profit rights

Number of Bank's requests for shareholders' registration with dates and reasons

No.	Property File Date	Request Reason
1	4/1/2021	Bank procedures
2	2/2/2021	Bank procedures
3	2/3/2021	Bank procedures
4	4/4/2021	Bank procedures
5	11/4/2021	General Assembly
6	3/5/2021	Bank procedures
7	2/6/2021	Bank procedures
8	4/7/2021	Bank procedures
9	2/8/2021	Bank procedures
10	2/9/2021	Bank procedures
11	4/10/2021	Bank procedures
12	2/11/2021	Bank procedures
13	2/12/2021	Bank procedures

Compliance with Corporate Governance Regulations:

The Bank abides by the latest Corporate Governance Regulation issued by the Capital Market Authority on 13/02/2017 and its updates. Furthermore, the Bank complies with the Regulatory Rules and Procedures issued pursuant to the Companies Law relating to Listed Joint Stock Companies and amendments thereof, as well as the SAMA's Key Governance Principles for Banks operating in KSA, as amended for the first time in March 2014, in addition to other instructions and controls, and in accordance with the Companies Law, its amendments and regulations, and other relevant Bank policies.

Bank AlBilad has complied with all the provisions of the aforementioned Corporate Governance Regulations with the exception of sub-paragraph B related to (disclosure of the remuneration of senior executives) of sub-paragraph (4) of paragraph (a) of Article (93) and the provisions of paragraph B of the same article, as it has been partially complied with by disclosing the total remuneration for the aforementioned senior executives

Board Acknowledgments

The Bank's Board of Directors affirms that:

- The accounts' records have been prepared properly
- The internal control system has been built on solid grounds and effectively applied
- There are no doubts that will have an effect on the Bank continuing its activities

The Board of Directors, Chief Executive Officer and all Bank employees are honored to extend their gratitude to the Custodian of the Two Holy Mosques King Salman bin Abdulaziz Al Saud – may Allah protect him, and HRH Prince Mohammed bin Salman bin Abdulaziz, Crown Prince, Prime Minister and Minister of Defence, for the assistance, support and encouragement received by the banks and the Financial Institutions Sector as a whole. Thanks are also due to the Ministry of Finance, Ministry of Commerce, Saudi Central Bank and Capital Market Authority.

The Chairman and Members of the Board are also pleased to express their gratitude and appreciation to all shareholders and customers for their precious support and trust. The Board also thanks the employees for their consistent and sincere efforts to develop and improve performance and achieve the Bank's desired objectives.

This report may contain certain information or data including management's assessment of the Bank's future plans and operations, its expectations based on current facts, which may be uncertain and expressed in words such as "believe," "plan," "estimate," "anticipate," "predict," "intend," "will," "may," "could," "would," "should" and the like, so this information should not be relied upon on its own to make any investment decision. To avoid known and unknown risks and uncertainties, the bank's actual performance and financial results in future periods differ materially from any expectations inferred. The most important risks were mentioned in the risk section and other sections of the report. According to the laws and regulations in force in the Kingdom, Bank AlBilad and its subsidiaries and officials will not be held responsible for any kind for any loss or damage that may be incurred as a result of using the information contained in this report.