



PROGRESS through INNOVATION

Annual Report 2023



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 and Prime Minister

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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 10,000,000,000. It is headquartered in Riyadh, Kingdom of Saudi Arabia, and listed (ALBILAD) on Tadawul, the Saudi Stock Exchange.

The Bank operates by 108 branches across the Kingdom of Saudi Arabia, The Bank provides Sharia-compliant services to personal, corporate, and SME clients, supporting the latter through specialized centers in a number of cities throughout the Kingdom.

The Bank provides Sharia-compliant services to personal, corporate, and SME clients



The Bank operates over

108 Branches

across the Kingdom of Saudi Arabia

Shareholders contributed

SAR 10 Billion

The original shareholders to invest in the Bank were 8 of the country's leading money exchangers

Our History

Established in 2004. 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 Sayra 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' experience and expertise have 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. In addition to Enjaz Payment Services Company, which is fully licensed by the Saudi Central Bank as a Major Electronic Money Institution.

YEAR IN REVIEW

JANUARY

Historical results exceeds **2 SAR billion** at end of FY 2022

Launch of **Medad Multi-Currency card**

First bank to provide finance through the **SME Bank**.

Issuing L/G one-off **100% cash** margin with 0 issuing fees

Sponsoring of **Saudi Capital Market Forum 2023**

The **first Sustainability** report was published

Strategic sponsor of the **Formula 1**

Face ID Authentication service

APRIL

Donated **SAR 10 million riyals** to the "Jood platform" for charitable housing

First bank to release Open Banking for retail clients in the Saudi market per **SAMA** regulations

First bank to introduced **Balloon Payment for Mortgages**

E-Commerce Financing Program

Personal and real estate financing for entrepreneurs

JUNE

Distribute **500 SAR million** of cash dividends to shareholders

Albilad Environmental **Awareness campaign**

FEBRUARY

Health Insurance Claims' Financing Program

Private School Financing Program

Insurance Premium Financing Program for Industrial Entities

Launched new **Financial Anti Fraud System** with AI capabilities

Annual Rental Financing Program for **MSMEs'** Operating Premises Program

Contracts Financing Program

Receives **ISO Certificates** in Customer Satisfaction Standards (ISO 10002 and ISO 10004)

AUGUST

Launched the New Version of **Core Banking system**

SEPTEMBER

Hackathon Albilad for Islamic Banking

OCTOBER

Launches first of '**new-generation'** branches

Bank has been certified against the Payment Card Industry Data Security Standards standard PCI DSS Version: 3.2.1 for the eleventh consecutive year

DECEMBER

Business Continuity Management Systems ISO 22301



AWARDS & HONORS 2023

Obtained the Guaranteed Financing Award from the Kafalah Program for Financing SME in exchange for its contribution to supporting entrepreneurs and the SME sector.

BAB receives the Outstanding Credit Growth Award Bayan Credit Bureau as fastest bank in response time to customer requests

Forbes

BAB among the largest banks in the Middle East by market capitalization according to Forbes classification 2023



BAB is the best digital bank in the Kingdom for 2023 - future bank summit

Most Innovative Mobile Banking App by MEA Finance

BAB is among the most valuable Saudi brands for the year 2023, according to the (Kantar Brandz) classification

INTRODUCTION: PROGRESS THROUGH INNOVATION

In a sector that is rapidly changing, Bank Albilad is embracing innovation to shape Saudi Arabia's future banking landscape. Our strategy is built on a culture of proactively leading, collaborating, and co-creating innovative solutions tailored to meet the needs of customers and stakeholders. This commitment to driving change has not only propelled our rapid expansion but has also established Bank Albilad as a trusted Saudi banking provider.

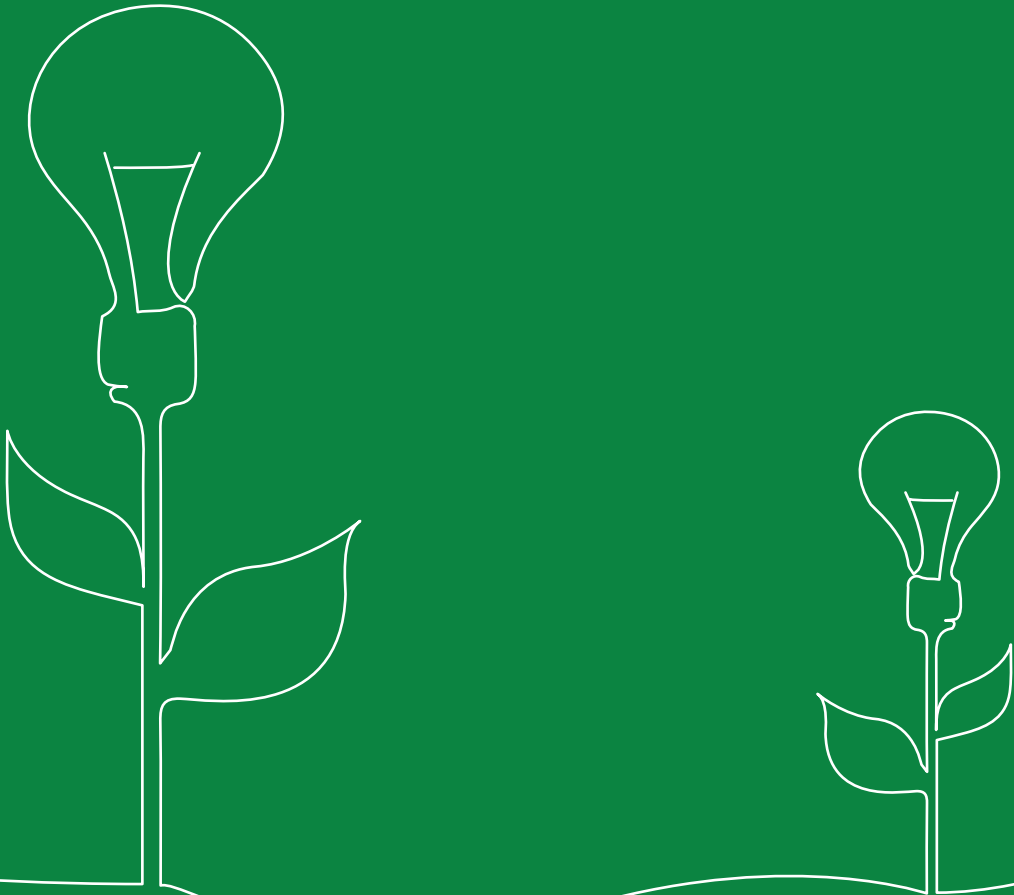
Bank Albilad's focus extends beyond the present, anticipating and addressing the evolving needs of the next generation of customers

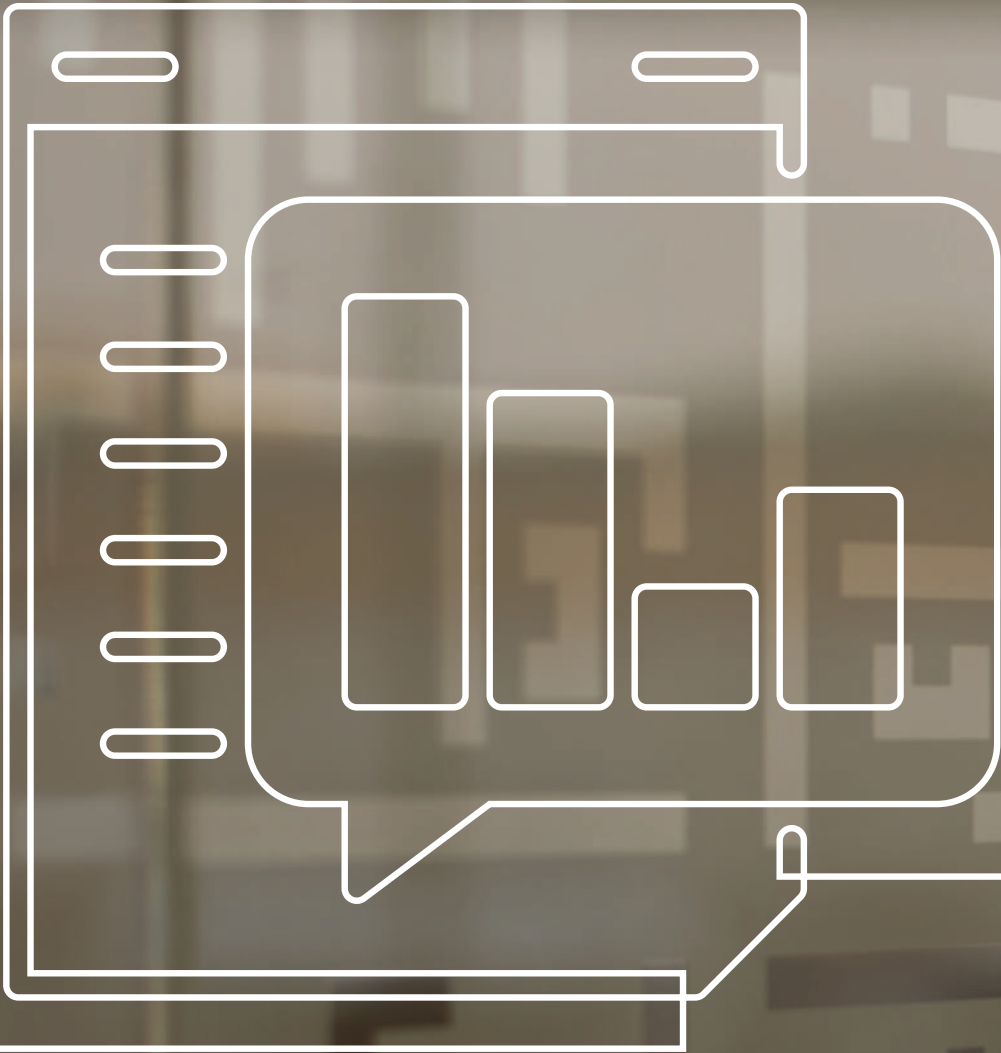
It is through understanding the needs of our customers that we will position ourselves for continuing and sustainable growth. This involves the adoption of cutting-edge technologies, dynamic collaboration with fintech partners, and a strategic pivot towards embracing the future of Banking as a Service (BaaS).

We know that this is a dynamic journey. The pace of technological and social change means that we cannot pause in our pursuit of innovation. We will continue to forge innovative pathways, redefine operational practices, and set new benchmarks for Saudi Arabian banking.

Moreover, our stakeholders and customers increasingly hold us accountable for the values we embody as a business, our environmental stewardship, and our contributions to Vision 2030. These values inform everything that we do, from the boardroom to our branches.

Bank Albilad's journey, from its inception, has been marked by sustained growth and an emerging reputation as a leader in innovation and finance. That will support us as we enter the next stage of our journey, built on a foundation of innovation, strategy, and trust.





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STRATEGIC REVIEW

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CHAIRMAN'S STATEMENT



Nasser Mohammed AlSubeaei
Chairman

Ladies and Gentlemen, Bank Albilad Shareholders
PEACE BE UPON YOU

Welcome to Driving Progress Through Innovation, Bank Albilad's Annual Report for 2023. It provides insights to our activities and achievements of the past 12 months, and of our ongoing strategic priorities as we step into 2024.

#Albilad_Mubadarah
more than

80
programs & initiatives

Bank Albilad is a values-driven organization, dedicated to operating as full Islamic compliant bank with initiative, innovation, care, partnership, trust, and accountability. These values serve the foundation of all our work, to achieve our vision and mission to contribute and sustain the long-term economic ambitions envisioned in Vision 2030.

I am pleased with the progress that we have achieved in 2023. Bank Albilad grew its Total Operating Income that led to a 14% increase in Net Income before Zakat to SAR 2,641 million compared to last year. This was the result of our on-going investments in innovation and strategic decisions to diversify our revenue streams. This was achieved despite the challenges the industry faced such as high inflation and cost of credit that impacted some sectors of the economy.

The bank's net income Increasing by
14%
compared to last year

Our robust risk frameworks Policies, and controls enabled the bank to uphold high governance standards in its business and operations.

Our ability to respond to changing environments with agility and inherent determination to seize opportunities is a core attribute of the way that Bank Albilad operates. The Bank has adopted innovation and services as a pillar in line with our digital transformation strategy. Our strategy has always revolved around innovation, digital transformation, customer base expansion, partnerships, and human capital development and ESG goals.

Moving forward to 2024, we will carry on with our financial innovation across our businesses as we respond to the evolving customer needs.

Over the past year we have continuously and firmly supported the key initiatives to facilitate the access to financial products and services for all sectors of society, the engine that can drive the wider transformation. Supporting our citizens to build savings, buy homes, or channeling to small businesses the funding and knowledge they need to grow, can help shape a prosperous and economically diverse future for Saudi Arabia.

Al Bilad Volunteer Team collectively contributed more than

830 HOURS
of service.

I am clear that it is only by acting as a responsible and trusted partner of the public and private sectors, that Bank Albilad will continue to grow and deliver value to our shareholders, customers, and the Kingdom in general.

We are increasingly becoming a partner of emerging fintech businesses that provide new opportunities for Bank Albilad to identify and access new market segments. Proof to this is the Bank organizing a hackathon for Islamic banking at the Al-Bilad Innovation Center (HORIZON) where we received more than 3,000 applications to participate. It reflects Bank Albilad's pioneering role in supporting Islamic financial technology and contributing to the development of the Islamic financial services sector.

We are proud of Bank Albilad of being the first Saudi Bank to enable the Open Banking Services in accordance with the regulatory framework issued by SAMA. The Open Banking Program is one of the initiatives of the Fintech Strategy, one of the pillars of the Financial Sector Development Program (FSDP) under Saudi Vision 2030.

To make a positive impact beyond business, is reflected in all our work. In 2023, we have gone further in strengthening our approach to ESG. Bank Albilad's initiatives and programs in social responsibility exceeded more than 80 programs and initiatives through our Corporate Social Responsibility Program #Albilad_Mubadarah. The Albilad Volunteer Team collectively contributed more than 830 hours of service. This remarkable volunteer work exemplifies the spirit of kindness and solidarity with our communities.

We have signed an agreement to sponsor Mowaamah application aimed at assisting people with disabilities. The bank also made a significant contribution to the "Jood Housing" campaign, to provide homes to individuals and families in need.

The Bank has also funded an underwater cleaning campaign in the Eastern province seafront. Bank Albilad remains committed to and will continue to intensify its efforts in

promoting climate change resilient communities and raising environmental awareness.

In closing, I extend on behalf of the members of the Board of Directors and the ambassadors of Bank Albilad, my sincerest gratitude to the Custodian of the Two Holy Mosques and the Crown Prince – may Allah protect them – for their support, guidance, and leadership to the financial and banking sector, and to all sectors for the growth and prosperity of the Kingdom and its citizens and residents.

I also express my appreciation and gratitude to the Ministry of Finance, the Ministry of Commerce, the Saudi Central Bank, and the Capital Market Authority, for ensuring the stability of the financial and banking sectors of the Kingdom through their sound and timely plans, programs, and regulations.

Finally, I extend my utmost appreciation to our customers, investors, partners and shareholders for their trust and confidence throughout these years and to the executive management and ambassadors of Bank Albilad. I would like to take this opportunity to formally thank them all for their contributions to another successful year.

With your help, I look forward to our continued progress towards achieving and ensuring long-term value for the Bank.

Nasser Bin Muhammad Alsubaie

Chairman of the Board of Directors

CEO'S STATEMENT



Abdulaziz M. Al-Onaizan
Chief Executive Officer

Ladies and Gentlemen,
Bank Albilad Shareholders

Peace be upon you

I am pleased to present Bank Albilad's Annual Report for 2023.

This year's theme, "Driving Progress Through Innovation", highlights our firm commitment to deliver value and utilizing cutting-edge technology solutions to meet the changing needs of our customers.

The Bank's continued strength is reflected in our 2023 results. Bank Albilad delivered solid performance underpinned by sustained growth in loan demand, customer deposits, asset quality and client activities despite the challenging operating environment. Profitability surged on the back of strong loan expansion, higher margins while managing operating expenses.

This year, the Bank has again achieved outstanding performance with all business lines contributing significantly to overall growth. The bank's Net Income before Zakat increased by 14% to SAR 2,641 Million, compared to SAR 2,321 Million in 2022. Total Assets grew by 10.5% to SAR 143,106 Million, sustained by the expansion in Retail and Corporate financing of 9% and 15%, respectively while Deposits were up by 19%. The bank achieved a return on average assets of 1.74%, while the return on average shareholders' equity was 16.5%, and earnings per share reached 2.38 riyals per share.



We launched various financial products and initiatives to enhance our customer experience aligned with our strategy to provide innovative Islamic banking solutions in light of evolving customer needs and regulatory requirements. We strengthened our strategic partnership with government, private sector, and fintech entrants in order to meet our customer expectations for better products and services.

We are proud to be the leading partner of (SME Bank) Small and Medium Enterprises Bank (Monsha'at), and Small and Medium Enterprises Financing Guarantee Program (Kafalah) in providing financing solutions to this important sector, 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. We now command a significant market share in this segment.

Bank's Net Income Before Zakat for the current year grew by

14%
reached
SAR 2,641 Million

In line with these partnerships and to achieve the Vision 2030 goals related to the housing sector to facilitate for our citizens to buy homes, we introduced several and innovative housing products.

A transformative year for the Bank's technology journey

We are aware that to remain at the forefront of product innovation, we must continue to invest in our systems and processes.

Our investments in our IT capabilities have allowed us to transition into a modern architecture platform with improved speed, reliability, and flexibility. These IT innovations have resulted in better and faster service for our clients and in better processes for our staff.

In 2023, we upgraded our core banking system

and launched a new Fraud Management System with AI capabilities protecting businesses and customers from the rapidly emerging new threats from increased digitalization. We also implemented a new Treasury Management System and Enterprise Content Management and Archiving System. Similarly, in 2023, Bank Albilad was the first Saudi Bank to enable the

Open Banking Services in accordance with the regulatory framework issued by SAMA reflecting our pioneering and full support towards the Financial Sector Development Program (FSDP) under Saudi Vision 2030. This major milestone will allow us to integrate new models and opens Bank Albilad to new partners by facilitating frictionless integration. With a rapidly expanding Saudi Arabian FinTech sector, this will create new opportunities to expand our market position and secure further growth.

Complementing these is the launched of Bank Albilad's New Generation Model Branches. These are smart branches built to highest standards and equip with the latest technologies that contribute to preserving the environment while providing an enriching customer experience.

Deep Commitment to ESG Goals

ESG principles are central to our operations, and we are working closely with important stakeholders to strengthen guidelines to ensure activities deliver on wider social and environmental goals.

Bank Albilad is proud to have provided the necessary support for the Second Conference on Food Security and Environmental Sustainability under the auspices of King Faisal University. This event was a valuable opportunity to enhance awareness and stimulate cooperation and partnerships between the public, private and academic sectors to achieve and build a sustainable future for our citizens. The bank also participated as a strategic partner in the Third Riyadh International Humanitarian Forum organized by the King Salman Humanitarian Aid and Relief Center. In addition, Bank Albilad sponsored various other forums aimed at spreading savings and investment awareness.

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 continued support in ensuring a robust and stable banking sector and economy.

Our accomplishments were made possible because of the enduring trust and support of the Bank's various stakeholders. I am grateful to

Financial Sector Development Program (FSDP) to increase the contribution of MSMEs to GDP from

our customers, partners, and shareholders for their untiring support to the Bank throughout the year. I would like to thank our Board of Directors, for their guidance, encouragement, and support to continue driving progress through innovation.

And I thank our management team and ambassadors for their untiring commitment to discover new ways to serve our customers better and passion for innovation.

Abdulaziz M. Al-Onaizan,

Chief Executive Officer

BOARD OF DIRECTORS



**Mr. Nasser Mohammed
AlSubeaei**
Chairman – Non-Executive
Member



**Mr. Adeeb Mohammed
Abanumai**
Vice Chairman – Independent
Member



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



**Dr. Zeyad Othman
Alhekail**
Independent Member



**Mr. Nasser bin Suleiman
Al-Nasser**
Independent Member



**Mr. Khalid Abdulrahman
AlRajhi**
Non-Executive Member



**Mr. Haitham
Mohammed Al-Fayez**
Independent Member



**Mr. Mohammed
Abdulrahman AlRajhi**
Non-Executive Member



**Mr. Haytham Sulaiman
AlSuhaimi**
Non-Executive Member



**Mr. Muadh Abdulrahman
Al-Husseini**
Independent Member

EXECUTIVE MANAGEMENT



**Mr. Abdulaziz
Mohammed AlOnaizan**
Chief Executive Officer



**Mr. Bashaar Yahya Al
Qunaibit**
Senior Executive Vice President
Businesses



**Mr. Saleh Suliman
AlHabib**
Executive Vice President
Shared Services



**Mr. Abdullah
Mohammed Alarifi**
Executive Vice President of
Risk Management



**Mr. Samer Mohammed
Farhoud**
Executive Vice President of
Treasury



Mr. Hisham Ali AlAkil
Executive Vice President of
Finance



**Mr. Saad Ibrahim
Aldrees**
Executive Vice President of
Corporate Banking



**Mr. Abdullah Saad
Al Ruwais**
Executive Vice President of
Retail Banking



**Mr. Abdulaziz Saleh
Alghufaili**
Chief Technology Officer



**Mr. Haitham Medainy
AlMedainy**
Executive Vice President of
Human Resources

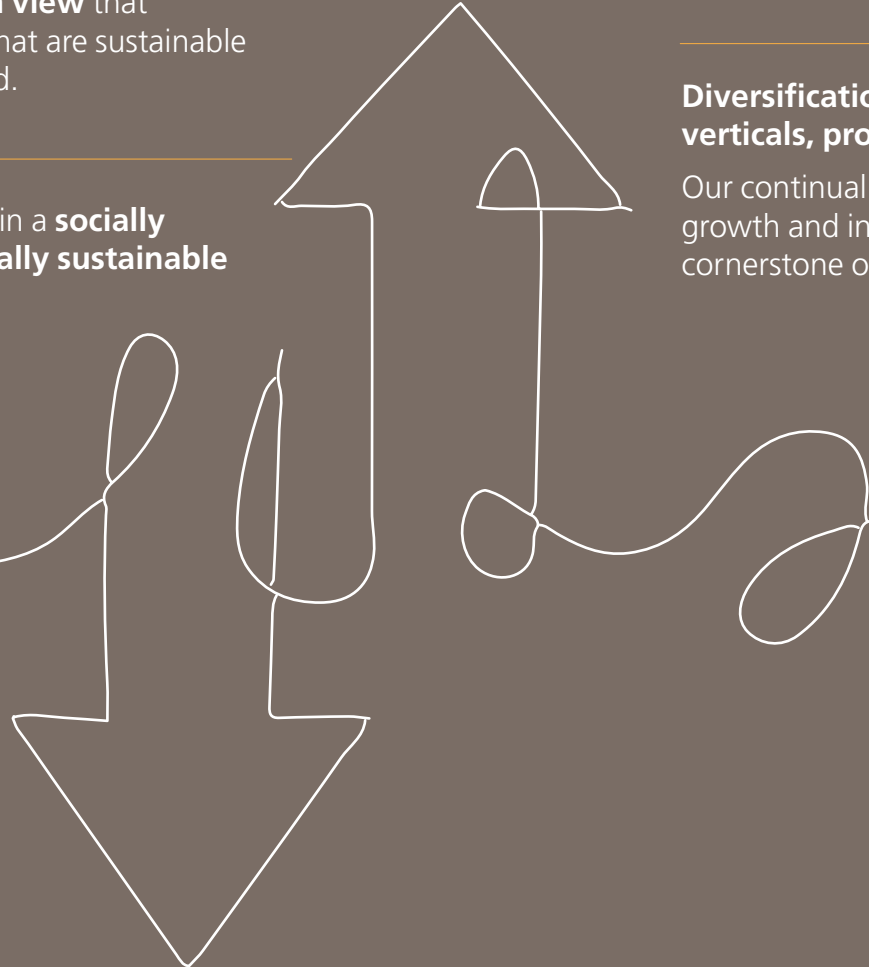
BUSINESS MODEL

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

Bank Albilad is well-positioned to continue to expand its market share and to both support a growing economy, and benefit from it.



Bank Approach

Diligent and risk-based decision making.	 Innovative products and services tailored to meet customer needs.
We use our expertise and judgement to make individual decisions that balance risk and return with customer needs	
Customer centricity.	
Focus on quality and efficiency.	
	Adopt a long-term view that generates returns that are sustainable over a longer period.
	Interest in working in a socially and environmentally sustainable manner.

Bank Differentiators

Strong foothold in the KSA Islamic banking segment With a strong proposition around customized leading-edge digital solutions, we have solidified our position as a key institution providing Islamic banking solutions.	Exceptional customer service Customer centricity is in our DNA. Our continuous investment in enhancing customer experience keeps.
Diversification across business verticals, products and services Our continual efforts to stimulate growth and innovate has been a cornerstone of our success.	Our people Our most important asset are the people who make our growth path possible. Our training and development enable career progression and operational efficiency.
	Operational efficiency Our strategy is weaved around optimum efficiency across the business and decisions.

Leveraged across our business verticals



Retail Banking



Corporate Banking



Treasury

For Our Customers



SMEs



Corporate



Retail



Financial institutions

To facilitate products and services such as

- Cards
- Bank accounts
- Personal financing
- Auto financing
- Real Estate Financing
- E-services
- Corporate account services
- Financing solutions
- Cash management
- Trade finance
- Trading
- Money market
- Foreign exchange
- Islamic financial derivatives
- Other treasury services

Through direct/indirect channels

Strategic partnerships

Intermediators

Business partners

To Create Value

Shareholder value

We continue to deliver returns to shareholders and long-term value for investors

With stakeholders

Our ongoing commitment to customers have made us a part of their personal and professional journey

Employee engagement

We have been able to engage with employees and create a highly motivated and capable workforce

These values are based on the foundations of outstanding risk management, best governance practices, and a positive work culture.

OUR STAKEHOLDER



Customers



Business Partners & Suppliers



Investors & Shareholders



Modes of Engagement

- | | | |
|---|---|--|
| <ul style="list-style-type: none">• Branches• Service centres• Call centre• Online banking• Social media• Bank website• Public events | <ul style="list-style-type: none">• Regular engagement & communications• Tendering process• Supplier Code of Conduct• Annual & public reports• Bank website | <ul style="list-style-type: none">• General Assemblies• Annual & public reports• Investor conferences & presentations• Investor relations• Press releases• Bank website |
|---|---|--|



Interests

- | | | |
|---|--|---|
| <ul style="list-style-type: none">• Friendly & responsive customer service• Data Security• Data privacy• Innovative products & services• Digital banking services | <ul style="list-style-type: none">• Responsible & sustainable procurement• Digital innovation & transformation• Community investments• Anti-money laundering, bribery & corruption financial stability & systemic risk management | <ul style="list-style-type: none">• Economic performance,• Sustainable investments,• Business ethics,• Governance & compliance• ESG ratings & indices |
|---|--|---|



Regulators & Government Authorities



Community



Employees



Modes of Engagement

- | | | |
|---|--|--|
| <ul style="list-style-type: none">• Board of Directors• Engagement with government authorities• Compliance reports and associated activities• Annual & public reports. | <ul style="list-style-type: none">• Volunteering & donation programs• Education programs• Partnerships• Products & services• Social media• Public events• Bank website | <ul style="list-style-type: none">• Training & development programs• Performance appraisals• Rewards & recognition programs• Bank events• Annual & public reports• Bank website |
|---|--|--|



Interests

- | | | |
|---|---|---|
| <ul style="list-style-type: none">• Governance, business ethics & compliance, Anti-money laundering, bribery & corruption• Economic performance, Community investment & socioeconomic development, Nationalization | <ul style="list-style-type: none">• Financial literacy• Financial inclusion & accessibility• Nationalization• Governance, business ethics & compliance• Community investments | <ul style="list-style-type: none">• Fair compensation• Talent development• Diversity & inclusion• Employee wellbeing• Customer satisfaction |
|---|---|---|

STRATEGY-LED INNOVATION

Our Vision

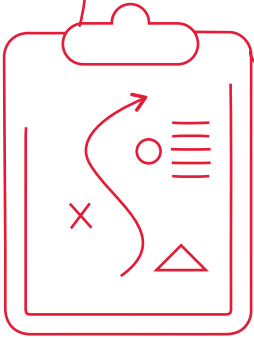
To be the preferred choice of innovative Islamic banking solutions.

Our Mission

To leverage digital transformation, network, and human capital to deliver the highest levels of customer experience and competitive value propositions in the best interests of our clients, employees, shareholders, and the communities that we serve.

Our Objectives

- Sustainable Growth
- Innovative Islamic Banking for SMEs
- Digital Leadership



Strategic Review

Since our launch in 2004, we have delivered consistent and rapid growth, quickly establishing ourselves as an important leader in modern Islamic financial solutions.

One of the factors underpinning this has been our ability to remain agile, adapting and refining our strategy to respond to the changing needs of shareholders, customers, and wider society.

Our Values

- Initiative and Innovation
- Care and Partnership
- Trust and Accountability

OUR CONTRIBUTION

VISION رؤية 2030

Vision 2030 is a bold and ambitious plan to diversify the Saudi Arabian economy to deliver prosperity and improved quality of life for everyone who lives and works in the Kingdom.

As a significant contributor to the Saudi Arabian financial sector, Bank Albilad has an important role to play across the three themes of the Vision: a vibrant society, a thriving economy, and an ambitious nation.



Our journey is fully aligned with Vision 2030.

Our journey is fully aligned with Vision 2030. The Strategy department ensures that every strategic objective aligns seamlessly with the national vision, incorporating new initiatives and conducting thorough research to spearhead innovation within the bank.

Our Islamic banking services and products are providing support for individuals and businesses across the Kingdom. In particular, by focusing on the provision of leading-edge digital solutions we are engaging with younger people to give them access to banking products that meet modern needs.



Bank Albilad's range of Shariah-compliant savings products is also contributing to the overarching Vision objective to increase household savings from 6% to 10% of total household income whilst our homeownership solutions are helping to meet the Kingdom's target to increase homeownership to 70% by 2030 from 60% in 2020.

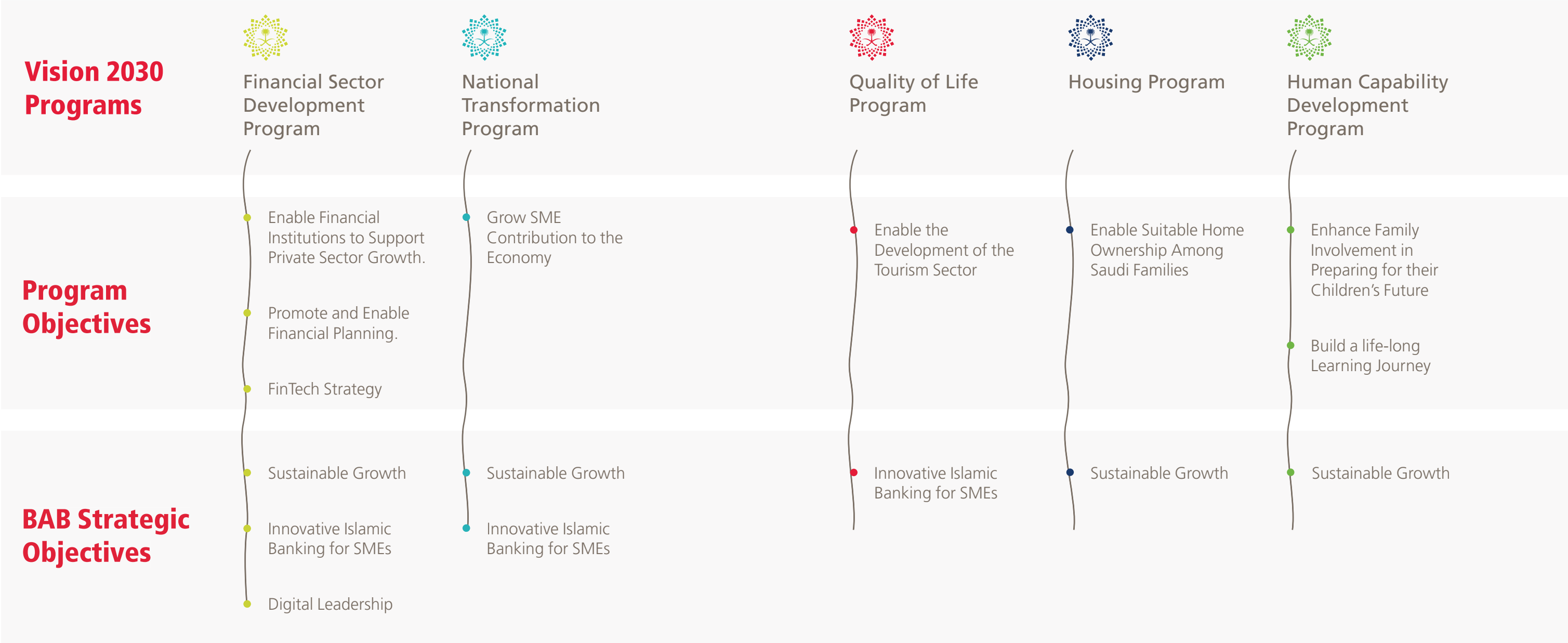
At the same time, our focused activities supporting the SME sector will strengthen a key engine of economic growth. The Kingdom's smaller businesses are a critical building block for the future economy of the nation. Supporting

those businesses has been a major element of our strategy, working closely alongside MSMEs to ensure we are providing products and services that meet their changing needs.

Our future as a Bank is closely tied to the future success of the Kingdom as a whole. In 2023, we continued to deliver a robust strategy that is entirely aligned with the mission, aims, and objectives of Vision 2030.



Bank Albilad & Vision 2030 Alignment



OUR STRATEGIC APPROACH

Bank Albilad is a dynamic bank that is embracing change. Rapid growth, innovation, and mature partnerships with fintech entities, especially in the realm of payments, are now hardwired into our operating model. Our strategy is clear that we have a responsibility not just to navigate the challenges of the present but also to anticipate and meet the expectations of future generations.

At the heart of Bank Albilad, is a culture of innovation and adaptation, that shapes the Bank's strategic approach supported by precise monitoring and effective communication with customers and stakeholders.

During 2023, the Strategy Department has provided research, insight, and analysis that unifies our activity and adds value through more effective coordination. This is underpinned by a commitment to transparency, with regular reporting to the Board of Directors and Senior Management to support decision-making.

Those decisions extend beyond purely financial and increasingly embrace activities and priorities that reflect the growing importance of Corporate Social Responsibility (CSR) and environmental initiatives. These are integral to the way we operate, demonstrating a commitment to environmental sustainability and social impact.

That shapes our strategic priorities and drives innovation in service delivery. Bank Albilad was the first to offer digital opening of bank accounts. We also maintain a clear focus on supporting the delivery of Vision 2030, expanding our activities to support the MSME sector, and forging trusted partnerships with government bodies to achieve their targets. We are also increasing our focus on supporting fintechs in the Kingdom.

In the competitive Saudi Arabian banking landscape, strategic decisions are never made in isolation. We continually assess our position, capitalizing on market trends and horizon scanning to identify both challenges and opportunities. As we step into the future, growth and innovation are not mere goals; they are integral to our strategic approach.



FINANCIAL REVIEW

Financial Performance

The annual financial results of Bank Albilad showed for the year ended 31-12-2023, a continuous growth of profits as a result of growth in all activities of the bank, where the bank's net income of SAR 2,369 million after Zakat compared to SAR 2,082 million in 2022, an increase of 14%.

Further, the Bank net income before Zakat for the year 2023 of SAR 2,641 million compared to a net income of SAR 2,321 million in 2022, an increase of 14%. This growth was mainly due to the increase of total operating income by 2%, as a result of the net income of investment and financing assets increase by 6%, to reach SAR 4,110 million. The total operating expenses decreased by 7% to reach SAR 2,662 million, as a result of the decrease in impairment charge for expected credit losses and other general and administrative expenses.

Financial Position

Assets

By the end of the year 2023, the bank's assets amounted to SAR 143,106 million, compared to SAR 129,543 million in the 2022, i.e. an increase of SAR 13,563 million or 10.5% compared to last year. The increase in financial assets is due to the increase in the bank's financing and investments.

Net Financing and Investments

The net financing portfolio increased by SAR 10,901 million or 12% to reach SAR 102,080 million at the end of December 2023. Investments portfolio grew to SAR 22,080 million, increased by SAR 1,480 million or an increase of 7% compared to last year.

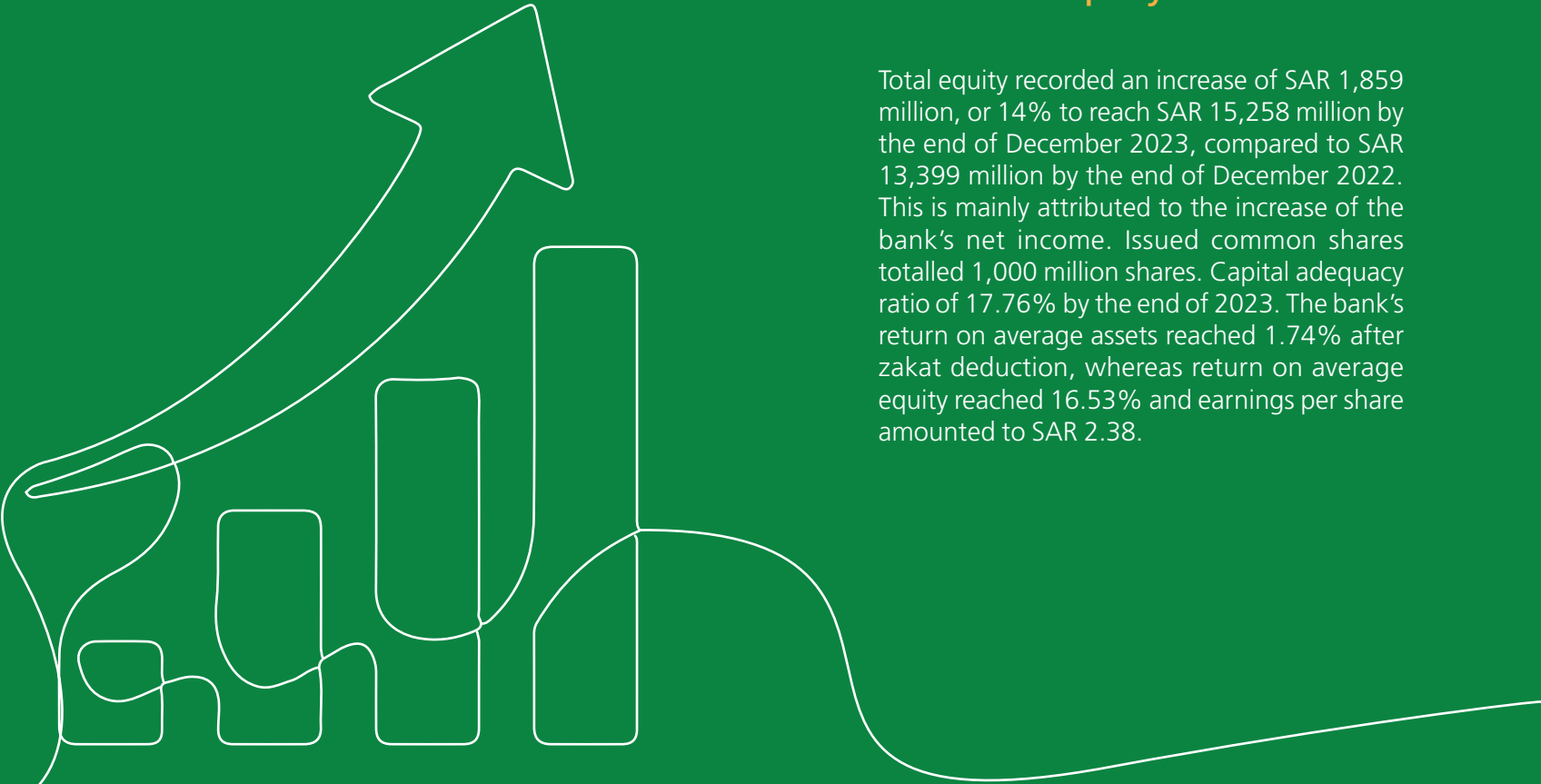
Liabilities

Deposits increased to reach SAR 112,831 million, an increase of SAR 17,988 million or 19%, compared to last year.

Total liabilities increased to reach SAR 127,848 million, an increase of SAR 11,703 million or 10%, compared to last year.

Owners' Equity

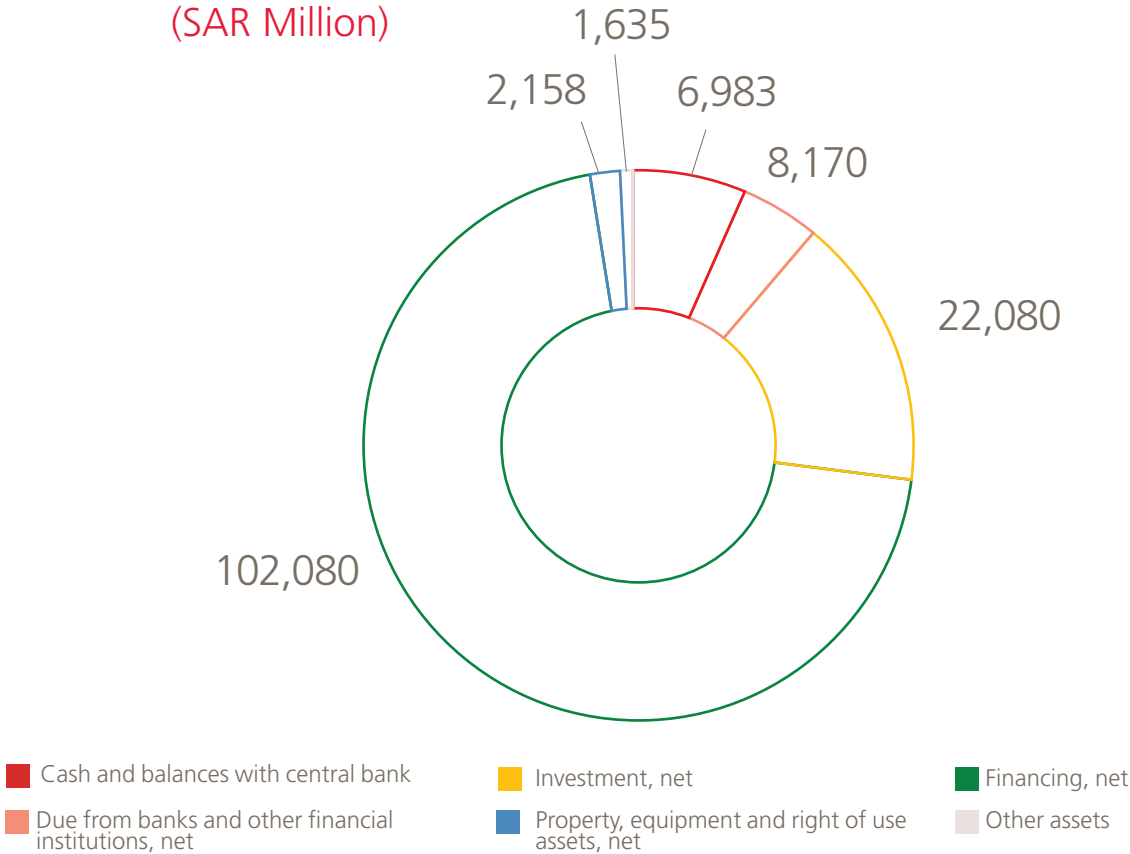
Total equity recorded an increase of SAR 1,859 million, or 14% to reach SAR 15,258 million by the end of December 2023, compared to SAR 13,399 million by the end of December 2022. This is mainly attributed to the increase of the bank's net income. Issued common shares totalled 1,000 million shares. Capital adequacy ratio of 17.76% by the end of 2023. The bank's return on average assets reached 1.74% after zakat deduction, whereas return on average equity reached 16.53% and earnings per share amounted to SAR 2.38.



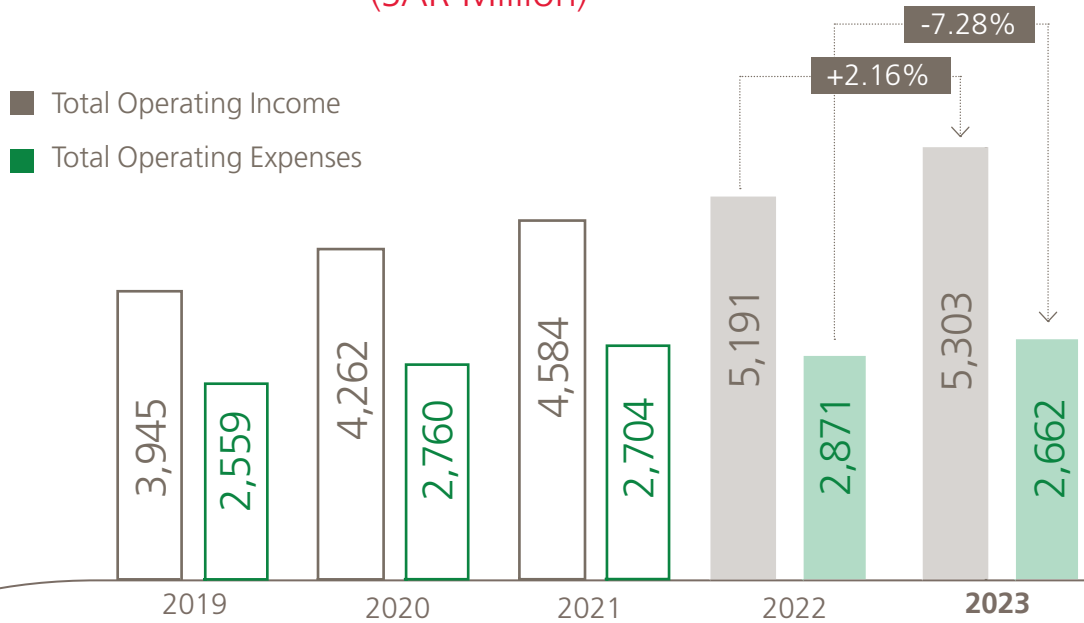
Bank net income of

SAR **2,369** Million
after Zakat, an increase of
14%

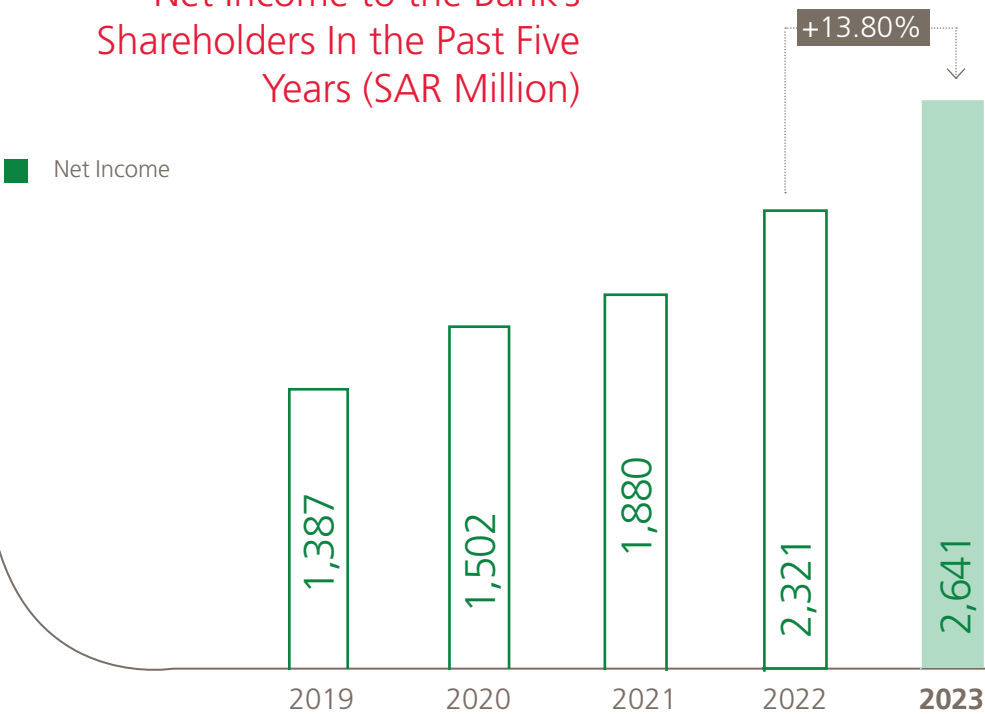
Composition of Assets
(SAR Million)



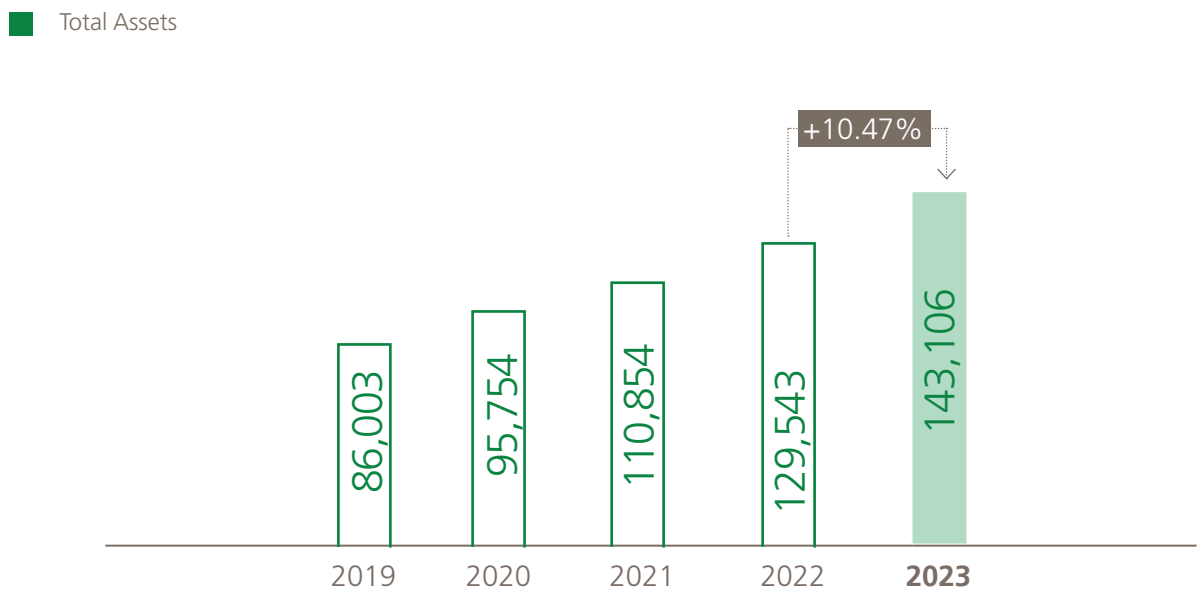
Operating Income vs Operating Expenses In The Past Five Years
(SAR Million)



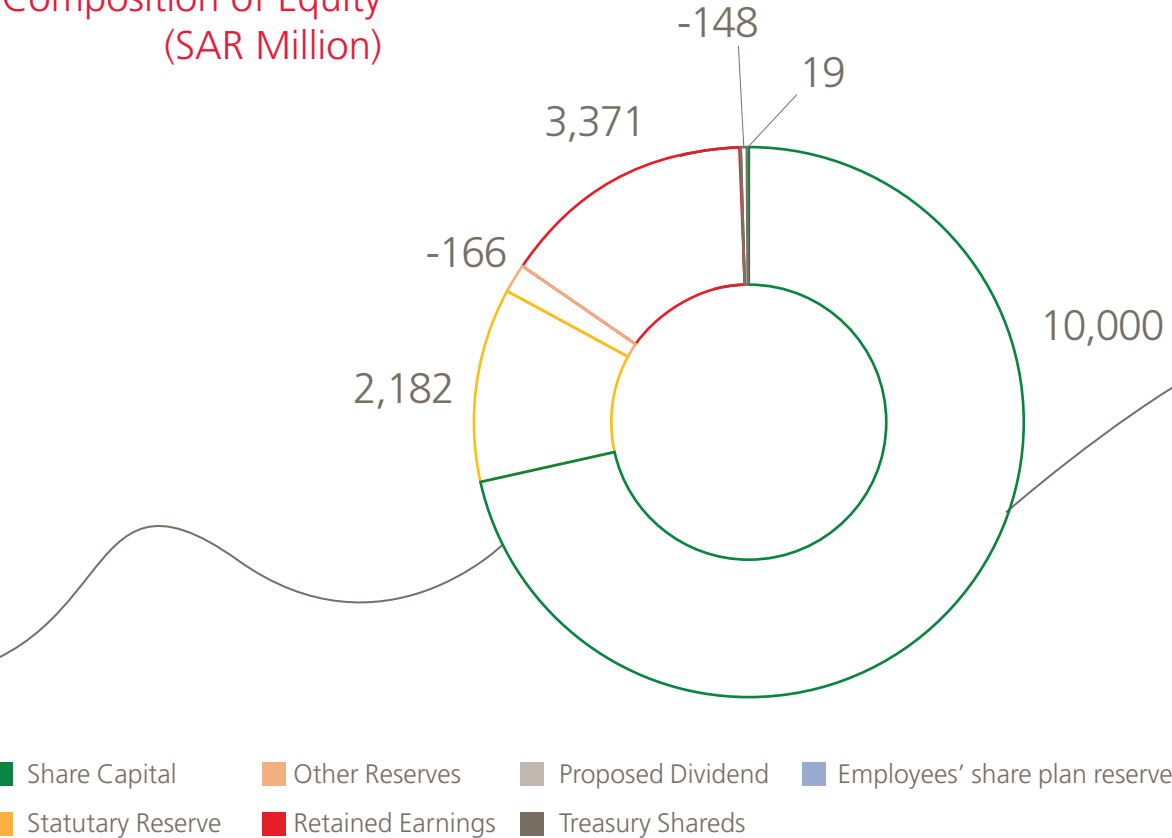
Net Income to the Bank's Shareholders In the Past Five Years
(SAR Million)



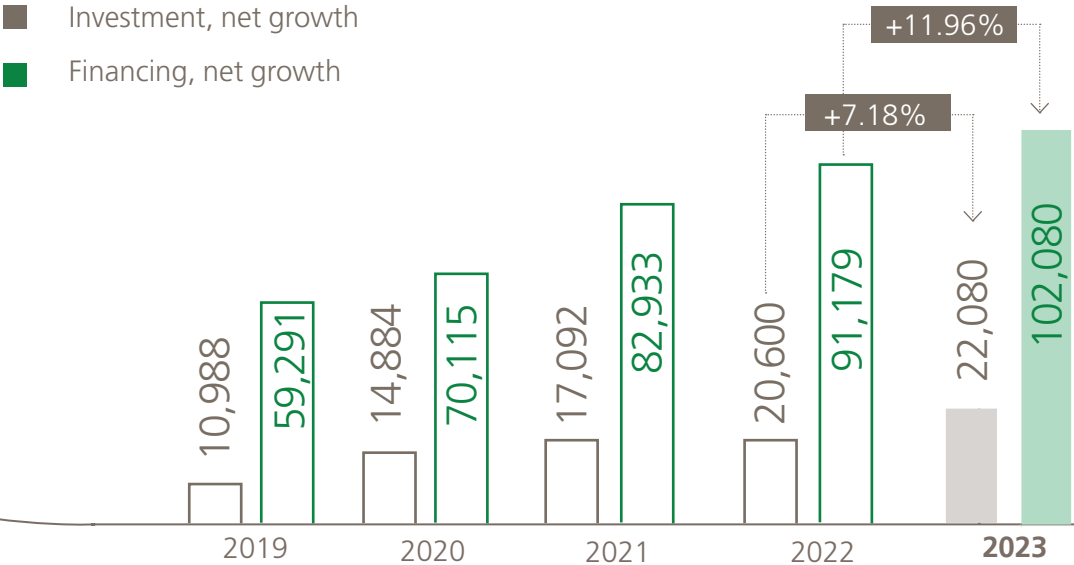
Total Assets In The Past Five Years
(SAR Million)



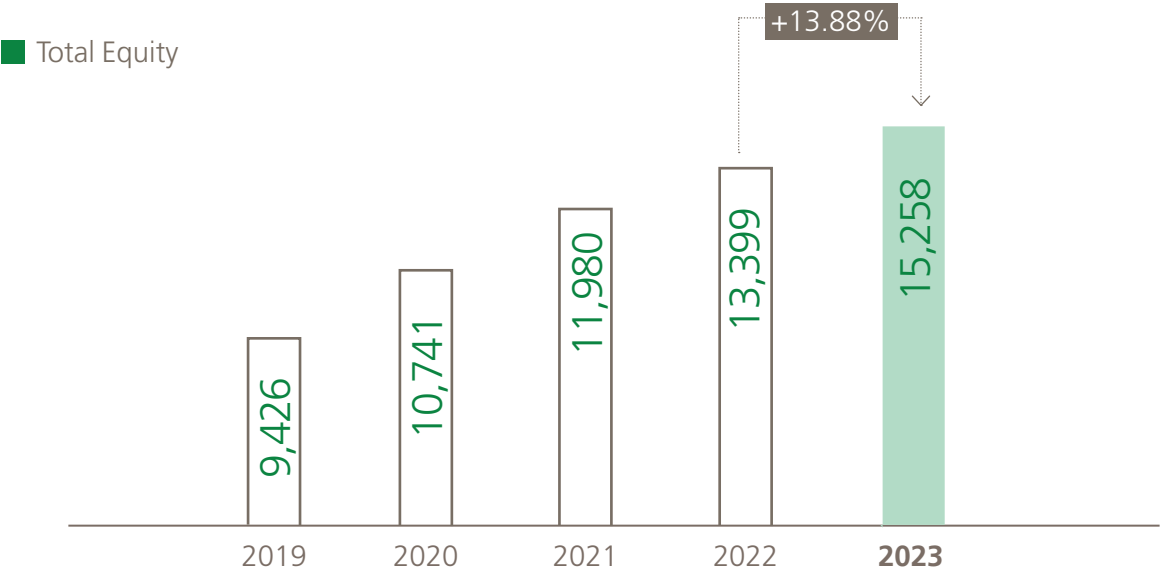
Composition of Equity
(SAR Million)



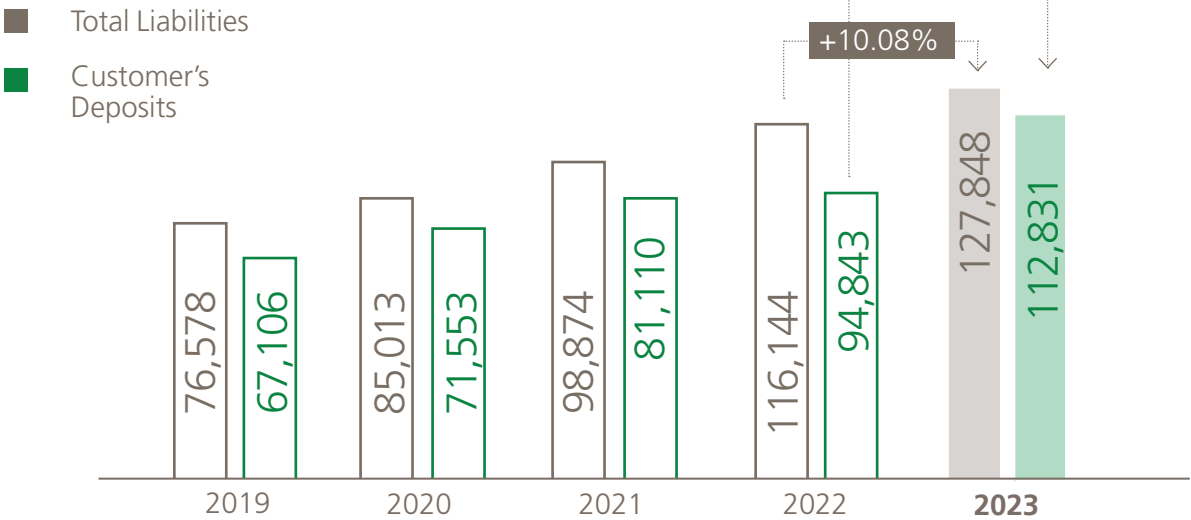
Investment & Financing In The
Past Five Years
(SAR Million)



Total Equity In The Past
Five Years (SAR Million)



Total Liabilities & Customer'
Deposits In The Past Five Years
(SAR Million)



Summary review of Bank Albilad’s results of operations and financial position:

Most important items in the consolidated statement of financial position

(SAR million)	2023	2022	Change %	2021	2020	2019
Investments, net	22,080	20,600	7%	17,092	14,884	10,988
Financing, net	102,080	91,179	12%	82,933	70,115	59,291
Total assets	143,106	129,543	10%	110,854	95,754	86,003
Customers’ deposits	112,831	94,843	19%	81,110	71,553	67,106
Total liabilities	127,848	116,144	10%	98,874	85,013	76,578
Total owners’ equity to the Bank's shareholders	15,258	13,399	14%	11,980	10,741	9,426

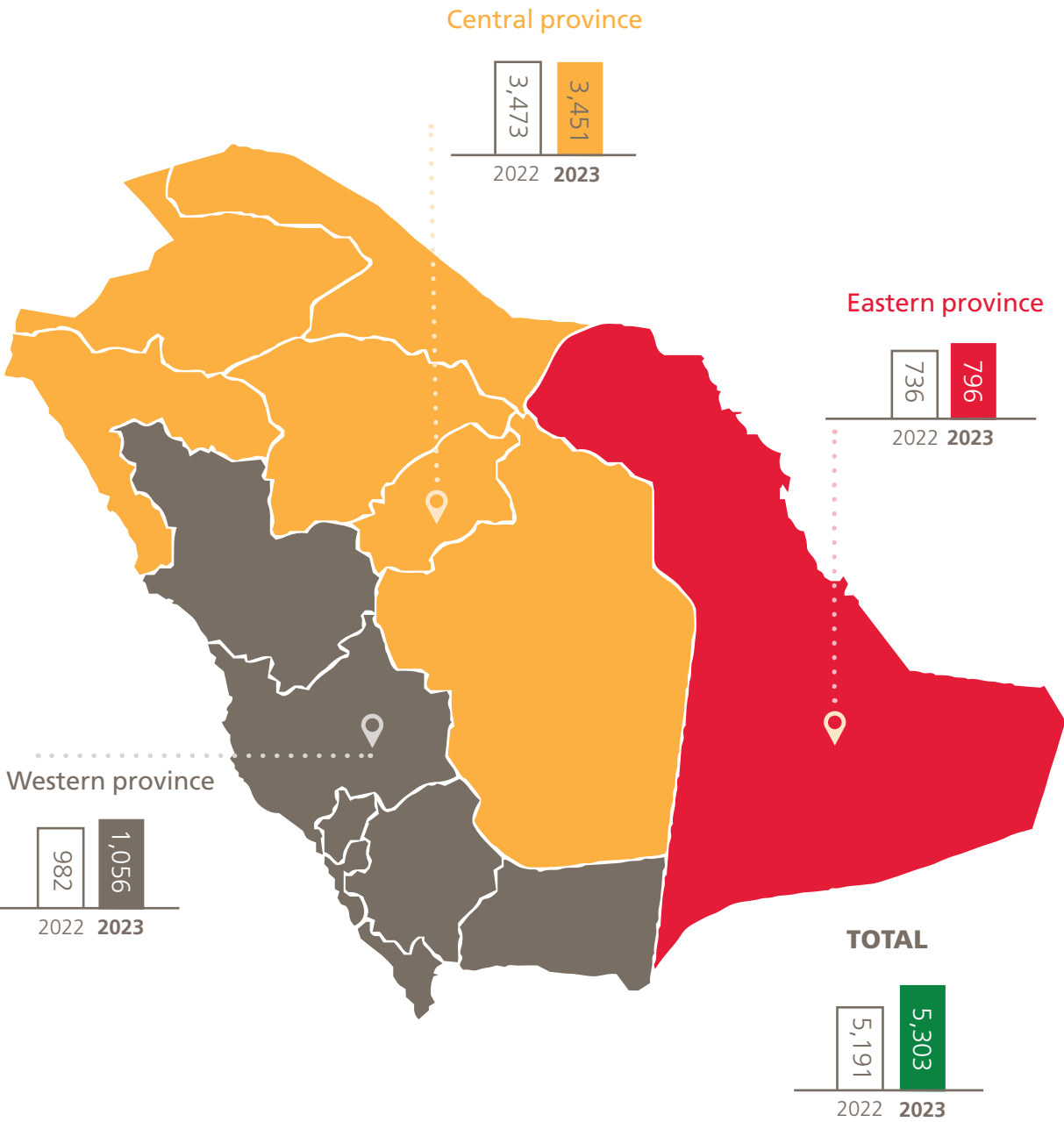
Main items of the consolidated statement of income

(SAR million)	2023	2022	Change %	2021	2020	2019
Income from investing and financing assets, net	4,110	3,887	6%	3,489	3,293	2,824
Fee and commission, net	621	669	-7%	731	627	677
Exchange income, net	348	398	-12%	313	362	314
Total operating income	5,303	5,191	2%	4,584	4,262	3,945
Impairment charge for expected credit losses, net	324	551	-41%	570	695	543
Total operating expenses	2,662	2,871	-7%	2,704	2,760	2,559
Net income for the year before zakat	2,641	2,321	14%	1,880	1,502	1,387
Zakat for the year	272	239	14%	194	153	143
Net income for the year after zakat	2,369	2,082	14%	1,687	1,349	1,244

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 2023	3,451	1,056	796	5,303



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.

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

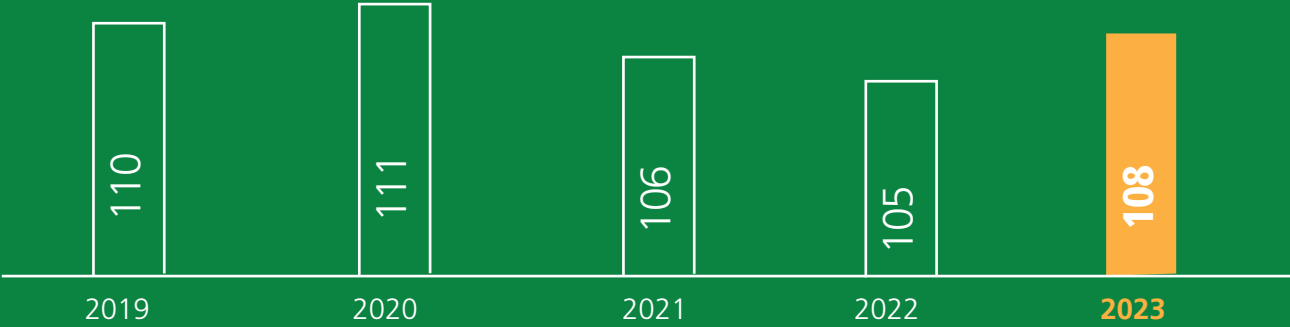
2023 (SAR million)	Activity Revenues	%
Retail banking	2,249	42 %
Corporate banking	1,862	35 %
Treasury	891	17 %
Investment banking and brokerage	301	6 %
Total	5,303	100%

Summary of the financial results of the Bank and its subsidiaries (Group) as of 31 December 2023:

2023 (SAR thousand)	Retail banking	Corporate banking	Treasury	Investment banking and brokerage	Total
Total assets	59,606,734	52,043,297	30,430,092	1,025,696	143,105,819
Total liabilities	66,161,722	30,250,481	31,334,756	100,750	127,847,709
Net income from investment and financing assets	1,756,588	1,706,432	522,394	124,425	4,109,839
Fee, commission and other income, net	492,183	156,104	368,249	176,413	1,192,949
Total operating income	2,248,771	1,862,536	890,643	300,838	5,302,788
Impairment charge for expected credit losses, net	136,819	183,994	(4,028)	7,045	323,830
Depression and amortization	268,519	21,556	5,197	3,024	298,296
Total operating expenses	1,929,237	479,024	97,823	155,747	2,661,831
Net income for the year before zakat	319,534	1,383,512	792,820	145,091	2,640,957

These consolidated financial statements comprise the financial statements of the Bank and its subsidiaries, “Albilad Investment Company”, “Albilad Real Estate Company” and “Enjaz Payment Services Company”.

Bank Albilad branches



The bank was able to achieve positive financial and operational results and growth during the year 2023, 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.

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 to the investment in the Tier 2 Sukuk.

Financing and Issued Sukuks

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 2021, 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 Tier 2 Sukuk Certificates (Sukuk) of SR 1 million each, payable quarterly each year until April 2031 ,15. The Bank has a call option that 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 Bank has not defaulted on any of payments (profit / principal) due during the year.

Earnings per Share

Basic and diluted earnings per share for the years ended December 31 ,2023 and 2022 is calculated by dividing the net income for the year attributable to the equity holders by the weighted average number of outstanding shares

2023:995 million shares (2022 :995 million shares - restated) after accounting for treasury shares.

End of service benefits

The bank provides end-of-service benefits to its employees in accordance with Saudi labour law, and this liability is included in the consolidated financial position statement along with other obligations.

Applied accounting standards:

These consolidated financial statements of the Group as at and for the year ended 31 December 2023 and 31 December 2022, 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.

Investment opportunity in bank Albilad

1. Bank Albilad boasts a robust financial profile:

With consistent profitability and growth over the past years as it currently presents the best investment opportunity around while it has managed to grow EPS continuously, and growing revenue by 2% compared to previous year to reach SAR 5,303 million. Bank Albilad has a diversified revenue base, with income from a variety of sources, including retail banking, corporate banking, investment banking, and treasury services. This diversification helps to reduce the bank's risk exposure and makes it more resilient to economic downturns.

2. Proactively leading and co-creating innovative solutions:

Bank Strategy is focused on embracing innovation as a core value. The bank launching a new Horizons Innovation Centre to promote cooperation with fintech companies and innovation partners as this will lead to the incubation of new innovative financial services in support of the Financial Sector Development Program under Vision 2030. Innovation will remain a core element of our future growth strategy, driving us forward to even greater achievements.

3. Attract a sizable customer base:

Bank Albilad has been offering customized financial solutions to support business growth. This approach has helped the bank attract a sizable customer base and increase its long-term sustainable revenue. As the bank has exciting prospects, driven by its innovative approach and commitment to staying ahead in the digital era, with cutting-edge digital solutions and customer-centric service, and the strong track record of innovation is well-equipped to meet the needs of its customers.

4. Shariah-compliant products and services:

Bank Albilad is a leading provider of Sharia-compliant banking products and services in Saudi Arabia as it offers a variety of Sharia-compliant products and services and is well-positioned to benefit from the continued growth of the Saudi economy. These factors make it an attractive investment for investors who are looking for a Sharia-compliant investment with strong potential for growth.

5. Incorporated multiple sustainable principles:

Bank Albilad's Strategy has fundamentally Incorporated multiple sustainable principles and continue to regularly review and enhance the governance system. The bank is committed to environmental, social, and governance (ESG) practices and their dedication to such initiatives reflects their commitment to making a positive impact. Overall, the bank has promoted sustainable banking practices, as well as offering its customers with a range of innovative solutions that continue to meet customer needs and preferences.

Overall, Bank Albilad is a well-managed and financially sound bank with a strong track record of performance. With its strong financial performance, focus on digital banking solutions and expanding customer base Bank Albilad is a compelling investment opportunity that should be on the radar of any discerning investor.

Bank Albilad is a well-managed and financially sound bank with a strong track record of performance.

Market Picture: Diversification and Growth

In 2023, Saudi Arabia's economy demonstrated resilience and adaptability in the face of global shifts. At the same year marks an important juncture as the midpoint of Saudi Arabia's ambitious Vision 2030 journey. Today and onward Saudi Arabia's economy is continuing undergoing a transformation, as it implements reforms to reduce oil dependence, diversify income sources, and enhance competitiveness. Spearheaded by the Vision 2030 program, the Saudi economy is diversifying, with the hydrocarbon sector's contribution to GDP declining from 45% in 2012 to 40% in 2022. Concurrently, the non-hydrocarbon private sector has grown, increasing its share from 38% to 41% during the same period.¹ This shift is attributed to the expansion of manufacturing industries, excluding refining, as well as growth in retail and hospitality activities.

The technology and innovation sector stands out as a pivotal driver, with investments in AI, renewable energy, and smart infrastructure. Saudi Arabia's Big Data And Artificial Intelligence Market size is estimated at SAR1.05bn (USD 0.28 billion) in 2023, and is expected to reach SAR6.11bn(USD 1.63 billion) by 2028, growing at a CAGR of 34.24% during the forecast period (2023-2028).² This demonstrates the Kingdom's focus on technology-driven advancement.

In finance, fintech is a standout performer, helping to reshape the financial landscape. Saudi Arabia's fintech adoption rate has surged. Mobile payments, a key focus for Saudi authorities, have risen to account for 45% of point-of-sale transactions by volume and 35% by value signifying a significant shift in banking preferences.³ This provides a foundation for the continuing work of Bank Albilad to deliver innovation in financial services, meeting the growing needs of the population, particularly younger customers. It also provides a rich ecosystem of new fintech companies with which Bank Albilad will continue to develop collaborative partnerships as we move into 2024.

Market size is estimated at

SAR **1.05** Billion
in 2023 and is expected to reach

SAR **6.11** Billion
By 2028

Real estate and construction sectors continue to thrive, buoyed by mega-projects like NEOM and Qiddiya. By 2030, NEOM alone is expected to contribute over SAR375bn (\$100 billion) to the Kingdom's GDP. Working with government entities and PIF portfolio companies is a central element of Bank Albilad's strategy.

Efforts to upskill the local workforce are reflected in a fall in total unemployment to 4.8 percent by end-2022 - from 9 percent during Covid. Youth unemployment was halved to 16 percent in 2022 over the past two years while female participation in the labor force reached 36 percent in 2022, exceeding the 30 percent target under Vision 2030. This signals positive advances in job creation and skills development.⁴

Foreign direct investment (FDI) inflows in 2022 were SAR122bn (\$33bn) indicating international confidence in the Saudi market and an increasingly outward-looking mindset across businesses within the Kingdom.⁵ The Public Investment Fund (PIF) has also become a global force, with assets under management estimated at over SAR2,250bn (\$600 billion), diversifying its portfolio across various sectors and regions.

NEOM alone is expected to contribute over

SAR **375** Billion
to the Kingdom's GDP

This demonstrates the Kingdom's focus on technology-driven advancement.

Working with government entities and PIF portfolio companies is a central element of Bank Albilad's strategy.

Saudi Arabia's GDP growth is expected to recover from 2024, after a flat performance in 2023 due to high base effect. Notwithstanding this, the government is expected to continue with its budgetary support on its various investments in the ongoing Mega and Giga projects. As the real GDP is expected to grow by 4.4% in 2024f vs 0.03% in 2023e with the nominal GDP estimated at SAR4.26trn. This will help the country diversify and bring in structural changes to its economy. Overall, Saudi will continue to remain a key performer in the region.⁶

References
¹BNP Paribas, 2023.
²Mordor Intelligence, 2023.
³CITI, 2023.
⁴IMF, 2023.
⁵UNCTAD, 2023.
⁶UNITED SECURITIESUC.



Saudi Arabia's economy in 2023 has continued to develop on a dynamic, diversified trajectory. This has been underpinned by technology, innovation, and an increasing awareness of the importance of sustainable development and environmental protection. Supported by Vision 2030's strategic imperatives, the Kingdom continues to be an enormously significant force within the global economy.

This is the context that will support Bank Albilad's continuing growth ambitions.

Total unemployment decreased to

4.8%

Youth unemployment was decreased to

16%

female participation in the labor force reached

36%

Supported by Vision 2030's strategic imperatives, the Kingdom continues to be an enormously significant force within the global economy.

BUSINESS REVIEW

Achieving Excellence

Within our Business Division, the orchestration of core banking functions — Retail, Corporate, and Treasury — is essential for Bank Albilad to deliver seamless operations. This integration has been fundamental since our establishment in 2004, propelling us into a prominent position among Saudi banks.

A Leading Team

Our business accomplishments reflect the commitment and talents of our expert team. Their relentless pursuit of customer-centric banking products has been a cornerstone of our success. In 2023, we continued to strengthen this team, investing in skills essential to deliver success within a rapidly evolving sector. Amid a competitive labor market, we have explored innovative avenues for recruitment, training, development, and key staff retention.

Stronger Together

The successes of Bank Albilad require strong partnerships that are based on trust, openness, and a clear shared vision that reflects the priorities of our partners as well as ourselves. In 2023, collaborations with key government sectors and businesses in burgeoning fields like sports and entertainment have taken an increasingly central role within our portfolio. Ventures and initiatives with ministries underscore our commitment to initiatives that drive societal support. These partnerships are indispensable to our future growth.

A Clear Strategy

An enduring focus on strategy continues to guide our journey. Embracing a long-term perspective, our initiatives, from Sharia-compliant product development to digital innovations, align with Vision 2030, helping to deliver both economic and social goals and contributing to the wider transformation of Saudi Arabia. This approach ensures sustainable returns over extended periods in a way that aligns with the priorities of both the Bank and its core stakeholders.

Moving Forward

As we step into 2024, our foundation positions us for sustainable growth. This trajectory not only promises value for shareholders and customers but also contributes to the broader Saudi Arabian economy.

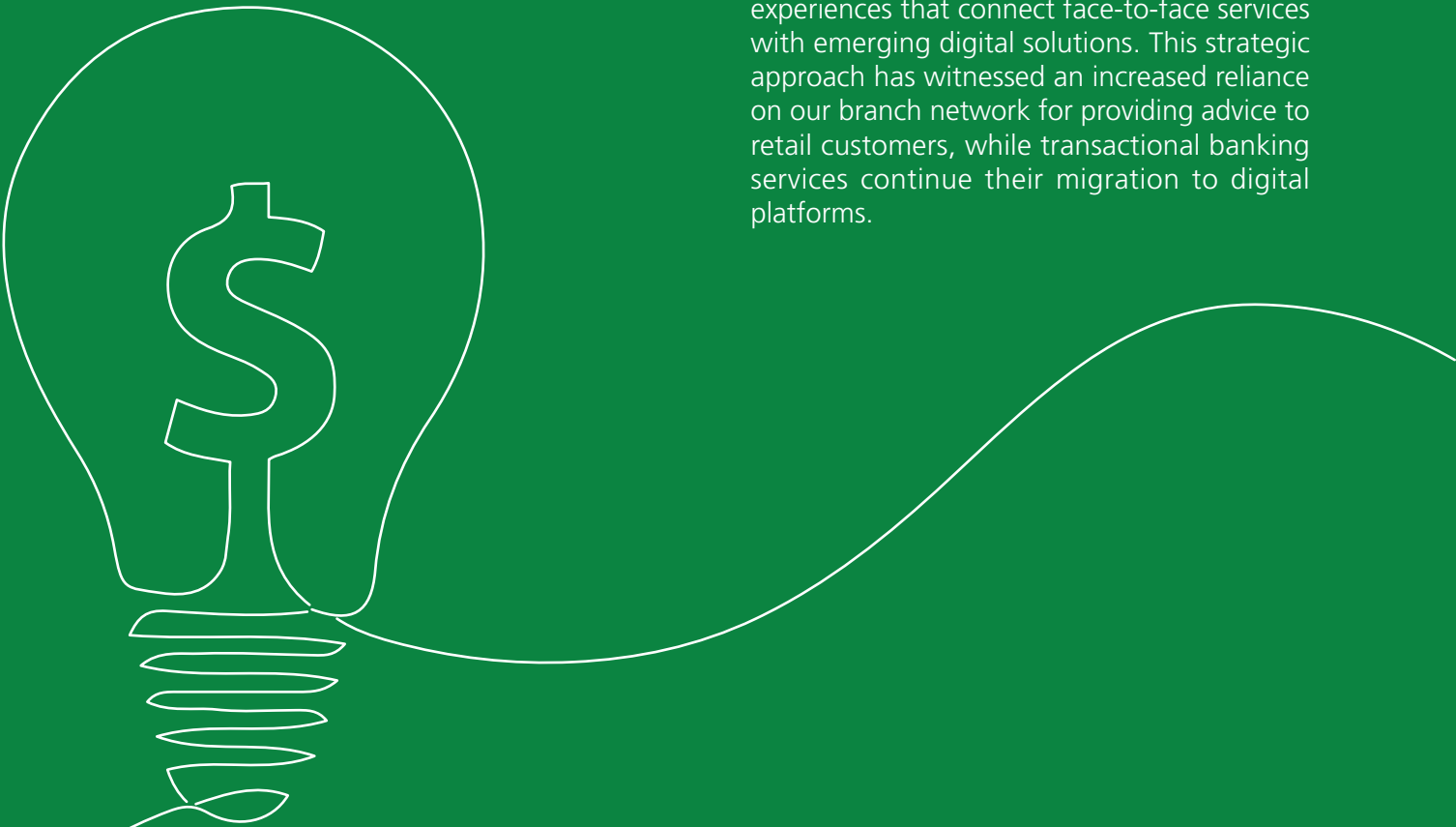
Retail Banking

The Retail Banking Group at Bank Albilad is committed to offering a comprehensive range of innovative Islamic banking products, aspiring to become the preferred bank within the Kingdom. Our clientele encompasses individual customers across various segments, including private banking, affluent, as well as serving SMEs, non-borrowing corporates, and government entities.

In 2023, our work was guided by a clear and unwavering strategy focused on balance sheet growth, liability focus, digital acceleration, and a commitment to superior customer experience. This has delivered robust results, leading to an expanded customer base and increased balance sheets across both liabilities and assets.

Our strategic objectives outlined a retail bank strategy aimed at creating a compelling value proposition and increasing market share. Key achievements include the successful launch of new card products such as Tamkeen plus and Medad Multi-currency prepaid cards, substantial growth in e-commerce transactions and the introduction of groundbreaking services like Investment Wakalah and Business-to-Business Services that seamlessly integrate our technological solutions through APIs. Introduced Balloon payment Program for mortgages, and launched of Business Return Account which is a savings account intended only for corporate or institutional customers.

We maintain our efforts to create digital experiences that connect face-to-face services with emerging digital solutions. This strategic approach has witnessed an increased reliance on our branch network for providing advice to retail customers, while transactional banking services continue their migration to digital platforms.



Strategic partnerships remain a cornerstone of our approach, contributing not only to our business goals but also aligning with national objectives outlined in the Kingdom's Vision 2030. 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. Our contributions to home ownership targets through mortgage lending and efforts to encourage savings, are making significant contributions to delivering the wider aims and objectives of Vision 2030.

Innovation is a key driving force, as evidenced by the creation of multiple technical demands for developing new services and products in 2023. This focus on innovation has translated into business success, marked by e-commerce growth of over 200%

Financially, our performance in 2023 shows Financing growth of 9%, totalling SAR 50.2 billion, and a substantial 12% year-on-year increase in total retail deposits, reached SAR 62.2 billion by year-end. Alongside these accomplishments, our unwavering focus on understanding and responding to evolving customer needs remains a major driving force.

In 2023, this has included with the opening and renovation of branches to align with Bank Albilad's new identity, improved customer engagement KPIs, and the implementation of advanced tools like "Speech Analytics" in our Contact Center to enhance service quality.

As we move forward into 2024, Bank Albilad's Retail Banking Group will continue to leverage innovation to provide Shariah-compliant financial products and services that meet the changing needs of the people of Saudi Arabia.

As we move forward into 2024, Bank Albilad's Retail Banking Group will continue to leverage innovation to provide Shariah-compliant financial products and services that meet the changing needs of the people of Saudi Arabia.

We maintain our efforts to create digital experiences that connect face-to-face services with emerging digital solutions.

our performance in 2023 shows
Financing balance growth of



Treasury

Bank Albilad's Treasury plays a vital role within the bank. It supports in retail banking and corporate banking activities. Treasury establishes a solid financial and operational base, which is essential for both shareholders' and investors' confidence. It is also critical in providing assurance to the customers and regulatory bodies.

Ensuring that Treasury operates effectively and efficiently has always been a key priority for the bank. Working with government entities, major corporates, financial institutions, and High Net Worth Individuals (HNWI), Treasury offers a range of contemporary and shariah compliant solutions that embrace technology to meet evolving customer needs. A successful Treasury is essential for managing liquidity, servicing clients, and investing the bank's funds that provides optimal revenue and extraordinary customer engagement.

During FY2023, our primary focus remained on increasing product offering for our customers and continuation of our digitalization journey to improve customer interaction and experience. Additionally, we increased our Treasury investment book size, which will provide diversified and stable accrual income over the years.

Introduction of Treasury Management System (TMS) became the base for further product development. It has provided an effective basis for managing risk and maintaining liquidity. This is vitally important for Treasury to position itself for next-generation banking.

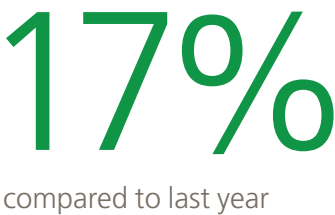
In 2023, we have built on this foundation with the introduction of new investment structures that will enable increased diversification of Treasury revenue in the years ahead. This year we witnessed exponential growth in Bank Albilad's Term Deposit Wakalah customer base and book size. As we move forward into 2024, consolidating and maintaining this growth will be a key priority.

We have adopted a robust and stringent approach towards governance and compliance, ensuring that all products and services are Shariah-compliant. Additionally, our portfolio and activities remain within both regulatory

ambit and the bank's internal risk appetite.

As we move forward into 2024, consolidating and maintaining this growth will be a key priority.

Treasury assets grew by



Our activities have resulted in strong growth that delivers value for our shareholders and customers. The story of BAB Treasury has always been characterized by steady growth in profitability and ascent in sophistication. Last year was not an exception and it continued this trend, which was reflected in Return on Treasury Assets (ROTA) which is 3%, and treasury assets grew by 17% compared to last year.

Moving forward, as Bank Albilad continues its growth journey and captures market share, Treasury business is forecasted to remain a partner for both business and retail customers. This will be enabled through a continuing focus on the digitalization of Treasury products to improve customer engagement and experience. During this time, Treasury plans to introduce more derivative and yield enhancement structures, which will increase product range and fee income.

This will enable Treasury to support the range of functions that deliver both the Bank's strategy and support the delivery of Vision 2030.

The story of BAB Treasury has always been characterized by consistent growth in profitability.



Corporate Banking

The Corporate Banking Group (CBG) at Bank Albilad is entrusted with establishing and nurturing the bank's relationships with various entities, including Corporate Customers, Funds, Financial Institutions, Syndicated loans, and Global Transaction Services. Our reach extends to a wide array of clients, from Large Corporates to Micro, Small, and Medium Enterprises (MSMEs), Domestic and Foreign Financial Institutions, Governmental and quasi-governmental entities, Funds, and REITS.

We are committed to provide fully Sharia-compliant financial services, acting as a partner and financial advisor to customers, and leveraging innovation to deliver up-to-date financial services with the highest quality.

In 2023, Bank Albilad increased its market share in corporate banking. By year-end, Corporate Banking had achieved growth in assets of 15%.

CBG's primary focus is on providing Sharia-compliant financing solutions to all categories of corporate customers. We are committed to tailor our financing programs to meet the financial needs of each customer, all while ensuring an optimal customer service experience characterized by prompt and efficient services.

In 2023, our strategic goals included a special emphasis on supporting MSMEs, introducing five financing programs, enhancing the financing portfolio through new trade finance platforms,. In 2023, we also achieved a major milestone in expanding our market share in syndicated loans through executing successfully the First Syndicated Loan (Club Deal) arranged and managed by CBG.

At the heart of Bank Albilad's approach is embracing innovation to drive efficiency, improve customer experience, and deliver shareholder value. CBG's participation in the "Open Banking" project, coupled with a clear focus on maximizing the corporate credit portfolio's volume, demonstrates our commitment to generating optimal returns. In addition, our dedication to improving the credit quality of the portfolio aims to minimize provisions and non-performing loans, thereby maximizing net profit income.

Our efforts not only delivers value to the business, shareholders, and customers. It also brings a range of benefits to Saudi Arabia as a whole. Our work in Corporate Banking aligns with Vision 2030, as evidenced by our consistent expansion policy supporting the MSME sector and contributing to the realization of Vision 2030. The MSME sector is identified in Vision 2030 as critical for driving the economic success of the wider Kingdom. This year, we have worked alongside MSME businesses to develop products and services that fully reflect their requirements.

Efforts to support Vision 2030 are now led by a dedicated business unit first established in 2022. In 2023, this unit has enabled us to expand our focus on exploring strategic business opportunities with Government and Quasi-Government entities. in financing Mega projects related to the Kingdom's Vision 2030 and forms strategic partnerships with governmental and semi-governmental entities to support residential and real estate projects and developments.

Corporate Banking Growth in Assets:

15%

Our work not only delivers value to the business, shareholders, and customers, it also brings a range of benefits to Saudi Arabia as a whole.

SUBSIDIARIES



Enjaz Payment Services

At the end of the third quarter of 2022, Bank Al Bilad launched its subsidiary, "Enjaz Payment Services Company," headquartered in Riyadh and fully licensed by the Central Bank of Saudi Arabia as one of the significant companies for electronic financial transactions. Enjaz Company is responsible for all payments and transfer activities previously managed as a business sector affiliated with the Bank.

As a result, 2023 was a critical year for Enjaz, representing our first full year of operations as an independent entity providing payment services for retail customers and corporate businesses and increasingly engaging with new FinTech companies that are reshaping the financial services sector in Saudi Arabia.

Across 60 cities, Enjaz has delivered a robust set of results in 2023. Card usage has increased by 19% and digital onboarding by 48% and customer balances by 16% after launched a way to charge the wallet by Mada cards. The reliance on technology services increased to 50% and above of total operations.

Enjaz emphasizes innovation, investing in technology and capabilities with fintech that contribute to launching new services & products. This technological investment has contributed to better customer services and enhanced operational efficiency to delivering value to the business.



This commitment to digital innovation is coupled with a physical presence in cities and towns across Saudi Arabia. This gives Enjaz a unique proposition in the operating space, making it ideally placed as an "on-the-ground" partner for new FinTech companies with only a digital presence.

In 2023, the business achieved several critical milestones. These included establishing the foundation for significant functions to operate independently, implementing an end-to-end antifraud solution for regulatory compliance, participating in a successful core banking system upgrade, enhancing app security, and introducing the SoftPOS product.

As we move forward into 2024, Enjaz's focus will remain on meeting evolving customer needs through continuous innovation.

Because Enjaz operates as a subsidiary, it can now operate with more agility in a sector characterized by increasingly rapid change.

This enables Enjaz to significantly contribute to delivering products and services that contribute to the broader national aims and ambitions set out in Vision 2030. In 2023, Enjaz has increased digital adoption, promoted financial inclusion, and supported the move towards a cashless society - all core pillars of Vision 2030. At the same time, shareholder value has been increased through reduced operational costs and increased transaction margins.

Beyond financial contributions, Enjaz actively engaged in a range of CSR activities in 2023, including environmental initiatives, fraud awareness campaigns, recycling programs, volunteering, afforestation, and Ramadan basket distribution. This reflects the core values of the Bank and its subsidiaries and ensures that our activities deliver more excellent value to the communities in which we operate.

This year, we have also taken steps to improve the customer experience with customer-focused initiatives involving launching a multilanguage call center 24/7, app, and kiosk for an enhanced experience, strict SLAs for customer complaint resolutions, sponsorship of events, marketing campaigns, and participation in national days.

As we move forward into 2024, Enjaz's focus will remain on meeting evolving customer needs through continuous innovation. We aim to solidify Enjaz's reputation as an effective, customer-focused FinTech company regionally and globally.

Card usage increased by

19%

and digital onboarding by

48%

compared to 2022.



Albilad Capital

Albilad Capital's provides innovative financial products and services to institutional investors and individuals. In 2023, we continued to focus on expanding this client base with Investment Services and Solutions, that encompass Dealing, Managing, Arranging, and Custody.

Our strategy of innovation and expansion has led to strong performance across all areas of our portfolio in 2023. We have delivered a 13% year-on-year increase in total Revenue to reach SAR 301 million. The size of our portfolio has also increased, with Assets Under Management now totalling SAR 13 billion, compared to 11.8 billion the preceding year, whilst our Assets Under Custody also grew to a total of SAR 121 billion compared to SAR 113 billion by the end of the past year.

As a comprehensive investment services provider, Albilad Capital offers a full spectrum of solutions catering to the diverse needs of its clientele. Albilad Capital has earned a reputation as a trailblazer, consistently introducing innovative investment services and solutions to the market. These deliver value to investors, customers, and Saudi Arabia as a whole.

As a business, Albilad Capital already had a strong reputation as a sector pioneer in offering innovative investment services and solutions to clients. The core of our approach is leveraging the latest technologies to offer a suite of services that reflect the changing needs of our customers.

In 2023, we maintained this journey, pioneering in the Exchange Traded Funds (ETF) space with the launch of unique ETFs, as Albilad Capital launched "Albilad MSCI US Equity Tech ETF" which enables investors to invest easily in the technology companies in the US stock market that are Shari'a Compliant. Albilad Capital also has gained CMA approval to launch "Albilad MSCI Saudi Growth ETF" in the stock market



which provides an opportunity to invest in a group of small and medium-sized companies listed in the main market and the parallel market (Nomu) that meet the growth factor.

An increase by

13%

in total Revenues to reach

SAR 301 Million

The size of our portfolio has also increased, with Assets Under Management now totalling

SAR 13 Billion

As we move forward, we will maintain our innovation journey, develop our product range, and expand our market share to deliver greater value to customers and investors. We are committed to achieving this in a way that delivers social, environmental, and economic benefits.

All of Albilad Capital's activities are fully aligned with the Financial Sector Development Program targets that cascade from Vision 2030. Through introducing innovative products to the market Albilad Capital is opening savings and investment solutions to a wider section of the population and by removing barriers to ease access, we are supporting clients to build their savings by increasing financial resilience.

Access to human capital is also a critical enabler of business growth and associated employment in the Kingdom, and our investment products support businesses from key sectors to invest effectively to achieve their ambitions. This delivers value to those businesses and local communities.

We will continue our journey of innovation, to deliver market-leading Islamic investment and saving solutions that meet the changing needs of our society.

We will continue on our journey of innovation, to deliver market-leading Islamic investment and saving solutions that meet the changing needs of our society.

Digital Transformation and Innovation

Bank Albilad is an established pioneer in reshaping the landscape of banking through digital transformation and innovation. We were the first bank in the Kingdom to facilitate online account openings and we continue to operate at the forefront of innovation to eliminate complexities, providing a seamless end-to-end service for both retail and business customers.

Digitalization is now an integral part of the banking landscape and a fundamental expectation of our customers. To lead innovation and foster future growth, Bank Albilad continues to invest in crafting tools and services poised to cater to the evolving needs of tomorrow's customers.

The digitalization of our banking services, encompassing retail, corporate, and third-party players engaged in BaaS and Open Banking solutions, has now become an intrinsic element of all our activities. Yet, our focus remains steadfast on future innovation, seeking to augment customer value, enhance operational efficiency, and propel enduring value for shareholders and the Kingdom.

In 2023, we maintained our transformation journey, extending our product range to offer novel and innovative banking solutions.

In 2023, we maintained our transformation journey, extending our product range to offer novel and innovative banking solutions.

Our beneficiaries encompass retail customers seeking intuitive digital experiences and corporate entities seeking new financial solutions. Third-party players (TPPs) aiming to leverage our Banking as a Service (BaaS) and Open Banking offerings are also increasingly important segments for our digital solutions.

The past twelve months have seen many important accomplishments that have consolidated Bank Albilad's position as a regional leader in innovation. This has been recognized with several prestigious awards that reflect the growing status of the Bank as a digital leader. In 2023 we received awards for having the Most Innovative Mobile Banking App, being the Top Digital Bank of KSA, and having the Fastest Growing Mobile Banking App in the Kingdom.

Our progress continued with several innovations in 2023. We were proud to secure the technical license to pioneer Open Banking in Saudi Arabia.

Amid the dynamic adoption of Open Banking and BaaS in alignment with Saudi Arabia's Vision 2030, our dedicated focus has catalyzed transformative shifts. From pioneering licenses to emerging financial products, our contribution resonates with the vision's emphasis on financial inclusion, further enhancing Saudi Arabia's status as a global financial leader.

Digital innovations have not only expanded our customer base but also enhanced Net Financial Income (NFI), liabilities, and assets. The initiation of Banking as a Service through strategic alliances has opened new revenue streams, fortifying our long-term growth potential.

Our transformative journey is also supported by business performance. In 2023 we delivered a 14% YoY increase in mobile app users, 71% of new retail customers joining digitally, and a 2.1 billion BaaS transaction volume for Careem and Mobily pay.

Bank Albilad's digitalization strategy has enabled the Bank to consistently lead the market in transformation, shaping the future of banking interactions.

An increase in mobile app users by

14%

71%

of new retail customers joining digitally.

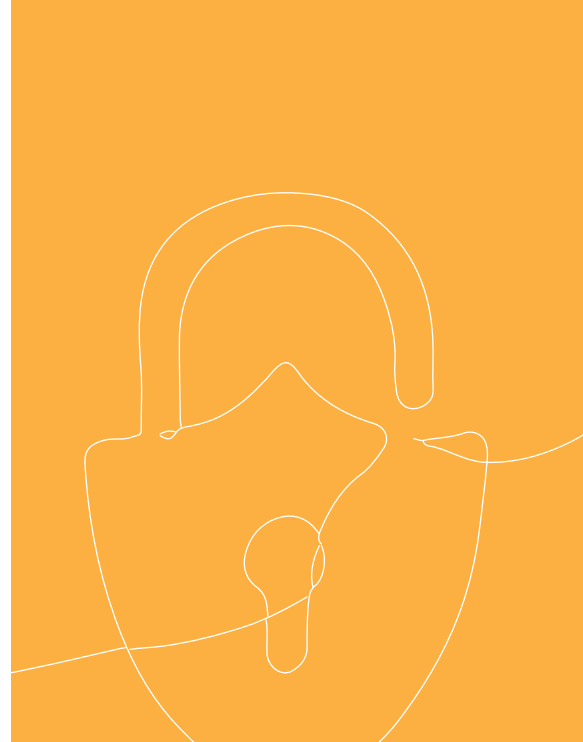
SAR 2.1 Billion

BaaS transaction volume for Careem and Mobily pay

Information Security

An increased focus on digitalization also raises new risks that Bank Albilad has been working to mitigate, with a commitment to vigilance and resilience in the digital domain.

Our vigilance extends beyond the boardroom, encompassing both internal users navigating our banking systems and external collaborators with whom we have strategic business relationships.



In 2023, we strengthened our security policies, streamlined access to necessary data, and improved our reporting procedures. This has delivered increased security and resilience, ensured regulatory compliance, and allowed rapid responses to any threats.

Our primary focus is ensuring that customer and corporate data is safeguarded. From the integration of cutting-edge technologies to continuous employee training, our work in 2023 has increased our preparedness navigate the increasingly complex threats that exist in the digital landscape.

Our primary focus is ensuring that customer and corporate data is safeguarded.

Shared Services

This approach aligns with Vision 2030, proactively raising awareness, automating systems, and conducting meticulous risk assessments to fortify the bank's growth and stability.

In 2023, the proactive approach we have taken has resulted in no significant security incidents, 100% of issues identified resolved, 80% completion of security awareness training, and the meeting of a 98% SLA for incident response.

Beyond compliance, our information security measures resonate with corporate social responsibility initiatives. They not only ensure a secure banking environment but also contribute to the ethos of responsible, secure electronic transactions that increasingly provide a bedrock for wider economic activity across the Kingdom.

As our digital journey continues, our commitment to security forms an integral thread, securing not just individual transactions but supporting a secure and resilient financial landscape that gives customers, stakeholders, and businesses confidence in the new tools that continue to transform banking in the Kingdom.

All of Bank Albilad's operations are supported by an expert team that is responsible for developing the systems, processes, and facilities required for operational excellence. These are essential in providing the foundation that teams across the Bank require to develop new products and services that meet the changing needs of our customers.

During 2023, the Shared Services division has continued to innovate to drive internal efficiencies that support colleagues, streamline processes, and ultimately benefit the businesses, investors, and retain customers that we serve.

This year there has been a specific focus on rolling out new standalone branches that place all of Bank Albilad's services in the communities where we work. Additionally, we have overseen the construction of new regional buildings.

Alongside this major construction work, we have also standardized processes across the business with the implementation of a new product development dashboard and achieved ISO 22301, which strengthens our business continuity processes.

This year there has been a specific focus on rolling out new standalone branches that place all of Bank Albilad's services in the communities where we work.

Technology Division

These steps all support operational delivery, through the automation of back-end operations and the simplification of processes. They also ensure that robust management controls are in place and make the best use of resources, driving productivity and adding value to the business.

For example, at the end of 2023, we started to implement RPA (Robotic Process Automation) to systematize key operations by using software robots to automate regular tasks such as data entry or processing loan applications. This has saved the business time and resources whilst enhancing quality control procedures.

Shared Services activities are also delivering wider benefits aligned with the Bank's ambitions and those set out in Vision 2030. New ways of working are driving environmental sustainability by automating processes, incorporating new energy efficiency measures, eliminating the use of single-use plastics, and reducing waste in everyday operations.

As we move forward into 2024, Shared Services will continue to focus on delivering the facilities and infrastructure required to maintain Bank Albilad's transformational journey. We will continue to improve processes, drive efficiency, and deliver value to both internal and external customers.

We will continue to improve processes, drive efficiency, and deliver value to both internal and external customers.

Bank Albilad operates at the forefront of innovation and technology. This is not simply about the services we provide to our customers, but also the internal systems that are an essential building block that enables our staff to deliver.

This makes the Information Technology (IT) Division much more than an internal support function. Aligned with the bank's growth strategy, our primary goal is to drive innovation, streamline processes, and enhance overall efficiency. Collaborating with business leaders, we contribute significantly to the bank's success by implementing, adopting, and evolving innovative services, products, and processes.

The dedicated IT team consistently delivers impactful results through collaborative efforts focused on achieving our goals. From elevating customer experiences and ensuring security to automating operations for efficiency gains, reducing operating costs, and embracing innovation and fintech products, our role is instrumental in shaping the bank's trajectory amidst the evolving market dynamics.

In 2023, the Technology Division has been integral to the Bank's innovative journey, acting as a catalyst for transformation. With an unwavering commitment to excellence, we have successfully executed around 400 initiatives this year across diverse portfolios such as Retail, Operations, Corporate, IT, and Treasury.

During this year, several critical milestones and achievements are testament to Bank Albilad's commitment to innovation. In 2023, we have overseen the introduction of new card products like Tamkeen Plus and multi-currency cards, the successful launch of Wakalah products through all channels, the offering of diverse real estate products, and the completion of Core Banking Modernization.

Additionally, we implemented a robust Antifraud System, extended our work in Open Banking & BaaS (Banking as a Service) products, and enhanced connectivity with SD-WAN for offsite ATMs using 4G sim cards. Major upgrades



for storage, databases, operating systems, and applications, along with the migration of development and SIT environments to the cloud, showcase our commitment to enabling a robust foundation that supports business resilience and maintains services for customers.

As part of the Bank's contribution to Vision 2030, our IT initiatives play a pivotal role in supporting flexible real estate products and contributing to homeownership for citizens. We actively promote savings through competitive products like Wakalah and savings accounts, aligning with the overarching national vision.

We also enable the Bank to deliver on a wider range of social, environmental, and economic activities through an engrained commitment to Corporate Social Responsibility (CSR) initiatives. The implementation of the Waed program, participation in the Zood Saving Programs from the Social Development Bank, and our role in developing small and medium-sized enterprises (SMEs) through SME Bank Program loans underscore our commitment to projects that benefit communities throughout Saudi Arabia.

We actively promote savings through competitive products like Wakalah and savings accounts, aligning with the overarching national vision.

400

initiatives in Retail, Operations, Corporate, IT, Capital, Enjaz, and Treasury

OUR PEOPLE



Bank Albilad's accomplishments are only possible thanks to our skilled and dedicated workforce.

With a robust team of professionals, our success is rooted in the strength, skills, and commitment of our people.

Serving as the primary catalyst for change, our workforce is central to achieving the bank's objectives.





Aligned with the overall bank strategy, our Human Resources (HR) strategy is instrumental in shaping the structure, resources, skills, and performance management system. This ensures clear alignment with strategic objectives to deliver results. This year, our HR focus centered on creating an environment conducive to individual and team success, fostering a culture of productivity, commitment, and continuous development.

Attracting and retaining skilled staff has been a major focus of our work in 2023. The emphasis on promoting and sustaining human excellence, enabling employee empowerment, and attracting top-tier talent has resulted in 513 new hires and a staff retention rate of 86% this year.

Key initiatives included comprehensive training, individual developmental plans, succession planning, and functional business-led training. This included targeted Management and Leadership programs, totaling 454 courses conducted in 2023.

Our ambition is to create a culture that stands out as the best workplace for our dedicated team, fostering growth and thriving roles.

Major initiatives such as the Albilad Academy and the Engagement Survey were also launched to enhance career development, address staff experience, and refine the rewards strategy.

Investment in learning and development underscores our commitment to nurturing talent. A revised rewards strategy, aligned with market competitiveness, incorporates both financial and non-financial rewards, training opportunities, and additional benefits.

To deliver our ambition to establish Bank Albilad as an exemplary workplace, we have continued to provide opportunities that support the wellbeing of staff and also contribute to our wider CSR goals. Our ambition is to create a culture that stands out as the best workplace for our dedicated team, fostering growth and thriving roles.

This commitment not only aligns with the bank's business strategy but also contributes significantly to Vision 2030. Bank Albilad already stands as a Platinum Level employer with Saudization rates that reflect the strength of local talent. Our dedication to enhancing employee saving plans, increasing the representation of Saudi female staff, and investing in the development of Saudi employees all demonstrate our commitment to alignment of our strategy with Vision 2030.

As we look forward, supporting our workforce remains integral to sustained growth. Balancing strategy and culture, our vision is to maintain the best possible workplace, where staff are supported and nurtured to contribute to the bank's success. This commitment will continue to be a major focus in 2024.

513

New Hires

86%

Retention Rate

To deliver our ambition to establish Bank Albilad as an exemplary workplace, we have continued to provide opportunities that support the wellbeing of staff and also contribute to our wider CSR goals.

454

Courses on Management and Leadership

SUSTAINABILITY

Sustainability Strategy and Framework

Bank Albilad is currently in the process of further enhancing and formalizing its approach towards incorporating and promoting ESG. Part of this process has included developing an ESG Policy and ESG Strategy. Our ESG policy, which will be publicly disclosed on Bank Albilad’s website in the near future, will define the Bank’s aspirations and commitments towards incorporating sustainable principles into our business activities. Our ESG Strategy will seek to complement our new and sustainability-based 2022-2026 Strategy, and will identify priority ESG actions for the Bank to focus on in the short-term.

We also realize the importance of our role in entrenching the concept of sustainability within our overall strategy and all our activities.

Sustainability Governance

Operating responsibly is a part of the fabric of who we are, the prosperity of our stakeholders and our reputation. We are committed to ensuring that we operate responsibly and ethically.

We endeavor to contribute to sustainable development through both a qualitative and quantitative approach for both financial and non-financial management. We also realize the importance of our role in entrenching the concept of sustainability within our overall strategy and all our activities.

Sustainability Framework

In order to define what sustainability means for Bank Albilad, as well as guide and focus our ESG efforts, we developed an ESG Framework (‘Framework’). The Framework has thematically grouped the material ESG issues we previously identified under one of six key sustainability pillars.



Bank Al Bilad, The TRUSTWORTHY Partner to a Sustainable Future.



Materiality Assessments

The results of the materiality assessment are presented below, where we have identified and prioritized 19 material ESG issues. Please note, for issues not categorized as 'Most Important', this does not mean they are unimportant or are not being addressed by Bank Albilad.

1


Business ethics and compliance

2


Customer experience

3

Risk management and business continuity

4

Digitization

5


Customer privacy and cybersecurity

6

Talent development, attraction and retention

7

Corporate governance

8


Financial performance

9


Anti-money laundering and corruption

10

Employee engagement and wellbeing

11


Community investment and impact

12


Sustainable financial products

13


Climate change management, risks and opportunities

14


Financial inclusion and education

15


Diversity and equality

16


Human rights

17

Managing environmental impacts

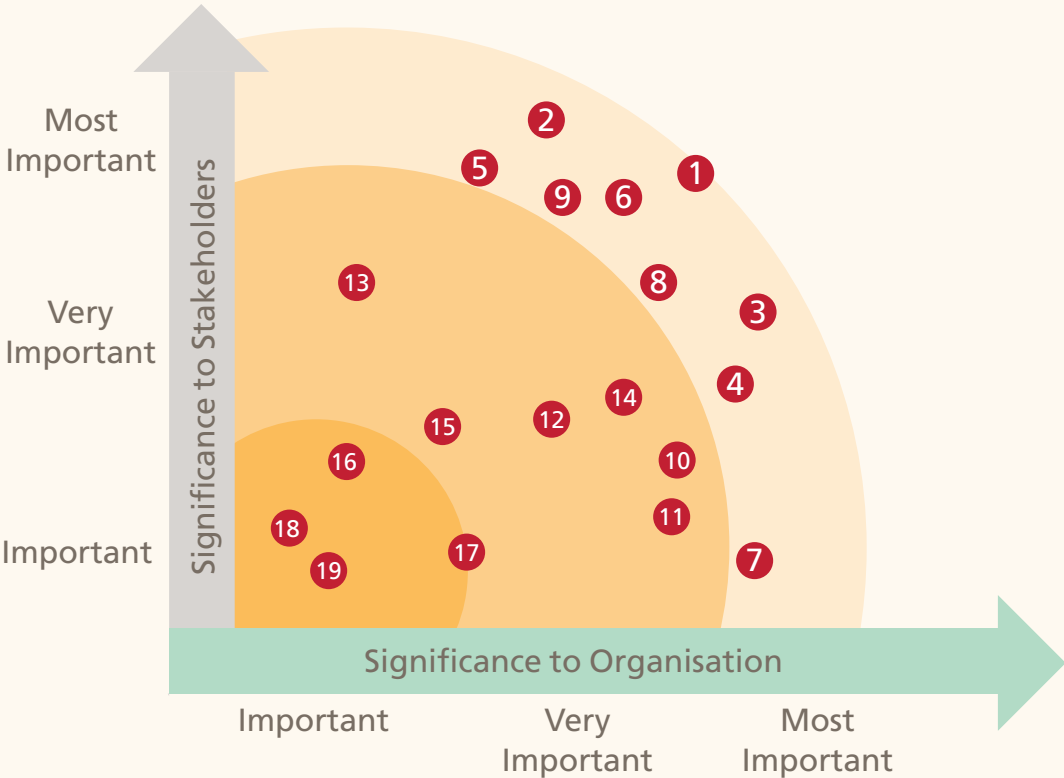
18

Supply chain management

19

Localization

This materiality assessment has been of great benefit in enabling us to identify our strengths and our areas for development. Going forward, the analysis will form the basis for our work related to our ESG policies, strategies, goals, targets and actions relating to ESG and sustainability management. We will also continue to review our materiality analysis to ensure it remains up to date in a changing landscape.





The Sustainable Development Goals (SDGs) are a set of 17 target-based goals designed to address the most urgent challenges across the world today. Governments, businesses, and other organizations globally have pledged to support them to help bring about meaningful change, protect the planet, and achieve a more sustainable world.

As a leading financial institution in the region, Bank Albilad has an ethical, legal, and religious commitment to advance social responsibility within our community. Supporting the SDGs is an important way in which we can achieve this and throughout this report, we display the Goals we contribute most to.



Framework Pillar	VISION رؤية 2030	SUSTAINABLE DEVELOPMENT GOALS	Material Issues
Sustainable Banking Practices	<ul style="list-style-type: none">A Thriving EconomyAmbitious Nation	<div>7 AFFORDABLE AND CLEAN ENERGY8 DECENT WORK AND ECONOMIC GROWTH9 INDUSTRY, INNOVATION AND INFRASTRUCTURE11 SUSTAINABLE C AND COMMUNIT13 CLIMATE ACTION</div>	<ul style="list-style-type: none">Sustainable Financial ProductsFinancial inclusion and educationFinancial performance
Innovating for a Dynamic Business Structure	<ul style="list-style-type: none">A Vibrant SocietyA Thriving EconomyAmbitious Nation	<div>8 DECENT WORK AND ECONOMIC GROWTH9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div>	<ul style="list-style-type: none">Customer experienceDigitizationCustomer privacy and cybersecurity
Empowering Our Employees	<ul style="list-style-type: none">A Vibrant SocietyA Thriving EconomyAmbitious Nation	<div>5 GENDER EQUALITY8 DECENT WORK A ECONOMIC GRO10 REDUCED INEQUALITIES</div>	<ul style="list-style-type: none">Talent development, attraction and retentionEmployee engagement and wellbeingDiversity and equalityLocalization
Acting on the Environmental Footprint	<ul style="list-style-type: none">A Vibrant SocietyA Thriving EconomyAmbitious Nation	<div>7 AFFORDABLE AND CLEAN ENERGY8 DECENT WORK AND ECONOMIC GROWTH9 INDUSTRY, INNOVATION AND INFRASTRUCTURE12 RESPONSIBLE CONSUMPTION AND PRODUCTION13 CLIMATE ACTION</div>	<ul style="list-style-type: none">Climate change management, risks and opportunitiesManaging environmental impacts
Responsibility in the Supply Chain and Our Contribution to Communities	<ul style="list-style-type: none">A Vibrant SocietyA Thriving EconomyAmbitious Nation	<div>1 NO POVERTY3 GOOD HEALTH AND WELL-BEING4 QUALITY EDUCATION8 DECENT WORK A ECONOMIC GRO17 PARTNERSHIPS FOR THE GOALS</div>	<ul style="list-style-type: none">Community Investment and ImpactHuman rightsSupply chain management
Transparent, Effective, Responsible Governance	<ul style="list-style-type: none">Ambitious Nation	<div>8 DECENT WORK A ECONOMIC GRO9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div>	<ul style="list-style-type: none">Business ethics and complianceCorporate governanceRisk management and business continuityAnti-money laundering and corruption

*More information on bank ESG disclosures can be found on ESG report published on bank website.

CORPORATE SOCIAL RESPONSIBILITY

Bank Albilad is committed to a balanced approach that balances economic growth with positive environmental and social impacts. Our dedication to social and environmental responsibility is integrated into all our activities, working in collaboration with non-profit organizations, governmental bodies, local communities, and individuals with specific needs.

This commitment aligns with our commitment to support the ongoing transformation of the Saudi Arabian economy and society, in alignment with Vision 2030.

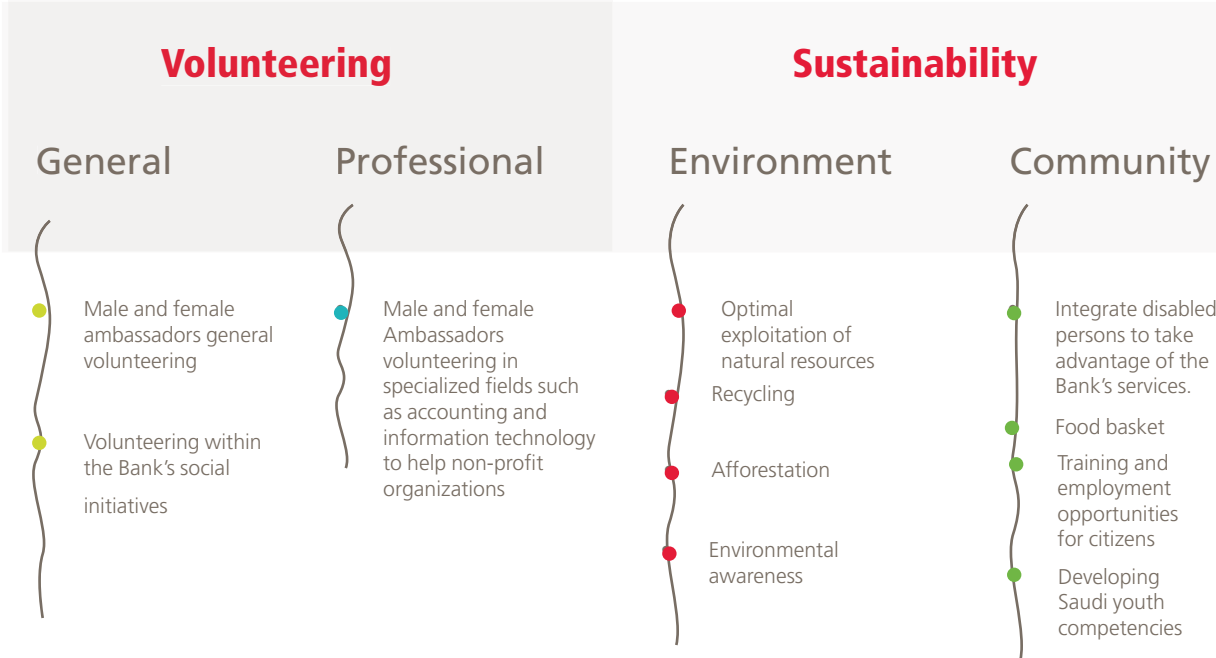
In 2023, our focus has been on integrating CSR and Sustainability initiatives throughout the Bank's operations. This has been supported by a range of strategic initiatives focused on sustainability, building awareness, and creating opportunities for our team of Albilad volunteers.

Our work in 2023 extended to increasing awareness of financial resilience through savings and addressing environmental concerns. Collaborating with the Jood housing platform, we worked towards expanding homeownership

opportunities across the Kingdom. In line with our commitment to innovation, 2023 saw the inception of Hackathon Albilad, focusing on developing new Islamic banking products that support innovation in this sector.



These initiatives not only contribute social value to Saudi Arabian communities but also position Albilad as a socially responsible bank, making a substantial impact on the country's future.



Reducing Environmental Impact

Environmental responsibility remains a significant focus, aligned with the Saudi Green Vision. In 2023, we recycled 4,550 Kg of waste, contributing to a reduced environmental footprint. Moreover, our processes are designed to enhance efficiency and decrease reliance on paper-based operations, minimizing waste associated with our activities. Our Head Office Building, Albilad Tower in Riyadh, now operates on solar energy, resulting in reduced CO2 emissions.

Volunteering

Bank Albilad recognizes its responsibility to invest in and support community activities that enhance lives across Saudi Arabia. This commitment involves active participation from staff at all levels of the organization. As we progress into 2023, our commitment remains unwavering, with a continued focus on supporting those in our Kingdom who require it the most.

The Albilad Volunteer Team dedicated 2,206 hours to various humanitarian causes, including supporting individuals with disabilities. This staff contribution helped to deliver a range of impactful programs that have improved the lives of the communities that we serve.

Key Initiatives 2023

The Bank and its extended staff team have contributed time and resources throughout 2023 to deliver practical support to a range of organizations that are working to support important causes. Major highlights included:

Albilad Volunteer Team: In 2023, the Bank Albilad volunteer team contributed over 552 volunteer working hours, helping 20,000 people in need and recycling over 16,500 gallons of waste.



- **Savings Lifestyle Initiative:** This initiative, developed by several accredited academics and trainers, enhances financial awareness, and supports a culture of saving among employees of some government and private agencies. This initiative includes 3 tracks of personal savings, residential savings, and investment savings. In 2023, this program benefitted 20,000 people.
- **Jood Housing Platform:** Bank Albilad has donated SAR 10,000,000 to the Jood housing platform supporting 5,250 families in need.
- **Al-Bilad Voluntary Campaign for Environmental Awareness in Umm Al-Shukooq Kindergarten:** To spread awareness about the importance of preserving and protecting the environment Albilad’s volunteer team and several volunteer teams contributed to the achievement of the goals of Vision 2030. The volunteer teams collected 16,500 gallons and 300 bags of waste, 60% of which was then recycled.
- **Ramadan Albilad & Enjaz Basket:** As part of its social responsibility initiatives, Bank Albilad launched the Ramadan Enjaz Basket initiative and Albilad basket supporting 20,000 people in need.
- **Blood Donation:** Bank Albilad’s joint campaign with the Blood Bank in May 2023 resulted in 120 of our staff taking part in this

initiative through donating blood.

- **Recycling:** Bank Albilad supports plastic and paper recycling programs. Recycling containers are available in all departments at our head office building in Riyadh. This helps to preserve the environment through reducing pollution caused by plastic wastes and reduces dependence on logging to produce paper. In 2023, the commitment of our team resulted in the recycling of 4,550kg of waste. This is the equivalent to saving 76 trees, 8,884 gallons of water, 18.88 tons of CO2, and 25,630 kilowatts of energy.
- **Hackathon Albilad for Islamic Banking:** Hackathon Albilad for Islamic Banking is part of Albilad Mubadara Programs. It is an initiative designed to foster interaction and collaboration among innovators, developers, and technology enthusiasts to contribute to the development of Islamic banking through the provision of innovative technological solutions. This initiative has helped 32 participants from 8 different start-up companies and generated 8 new product ideas for Islamic banking.
- **Sponsorship of Mowaamah:** As part of Bank Albilad’s commitment to supporting and empowering people with disabilities, it has contributed to the sponsorship of Mowaamah program. The application aims to assist individuals with disabilities

and provide them with an inclusive environment to ensure their independence and integration into society. With Albilad support, this program has helped over 80,000 people with disabilities.

- **Deep Sea Cleaning:** This initiative is cleaning the sea and beach in the Eastern coastal area in order to protect marine wildlife and the Coral reefs. Over 300 volunteers have contributed 1,100 hours of work to collect around 970 gallons of waste.
- **Donation to Roya Al-Madina Charity:** Bank Albilad provided book/sound devices (Envoy Connect) to 275 children with sight disabilities.
- **Donation to Tarmeem East Region Charity:** Bank Albilad has become one of the charity’s major donors to achieve the highest standards of quality and efficiency.
- **Donation to Unaizah Association for Humanitarian Services:** Bank Albilad has contributed to help and support 50 people with disabilities access training and rehabilitation activities.

We are immensely proud of the contribution that our team is making to support environmental initiatives and to support those who need help within our communities. As we move forward into 2024, we will continue to focus our efforts on supporting those in our Kingdom who are the most in need of support. This is part of the core values of Bank Albilad, and we will maintain our commitment to delivering our core work in a way that brings the maximum benefits to the places where we operate.

3

CORPORATE GOVERNANCE

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GOVERNANCE

To achieve the Bank’s strategy, vision, mission, and sustainable development, the Board of Directors and Executive Management are committed to maintaining and strengthening an effective, advanced, and sustainable governance system. They formulate strategic objectives; translate them into appropriate work programs, and strive to achieve them while adhering to transparency, disclosure, and justice standards. Governance at the Bank is defined as the rules and processes that guide and direct the bank, including systems that govern the relationship between the Board of Directors, executive management, shareholders, and stakeholders. These rules and processes are used to enhance decision-making and promote justice and transparency in financial transactions and the business environment, resulting in increased value for the bank while protecting the rights of shareholders, investors, and stakeholders.

The bank’s governance relies on fair treatment based on equality of interests among various parties, such as shareholders, other investors, and other stakeholders from management, customers, suppliers, supervisory and regulatory bodies, other relevant government agencies, and society, while considering the three dimensions of sustainability (social, environmental, and economic). The Board of Directors and Executive Management constantly emphasize the need for adhering to the principles of governance as an effective means of developing values of transparency, integrity, supervision, and outstanding professional performance.

This report highlights the bank’s dedication to upholding corporate governance standards as mandated by regulatory authorities such as the Central Bank of Saudi Arabia (SAMA) and the Capital Market Authority (CMA). The bank has consistently complied with the laws, regulations, requirements, and instructions set forth by these authorities, as evidenced by the issuance of its governance documents and regular updates. One of the significant events in 2023 AD was the revision of various documents to align with updated regulations and instructions.

These revisions were approved by either the Board of Directors or the General Assembly, as required by the rules and regulations for approval. For instance, the remuneration policy for the Board of Directors, its committees, and senior management was updated based on the Board of Directors’ recommendation to the Assembly.

The Board of Directors has approved updates to the Governance Manual and its appendix. Furthermore, a new executive management committee, the “Anti-Fraud Committee,” has been formed, and its rules have been implemented in accordance with the directives from the Central Bank of Saudi Arabia and the applicable documents and controls. The Board of Directors and its committees conscientiously oversee the executive management and its committees to ensure their continuous and effective compliance with the guidelines set forth in those documents, including regulations and policies.

The Board of Directors has approved updates to the Governance Manual and its appendix.

BOARD OF DIRECTORS GOVERNANCE

The Board of Directors is composed of ten members , who were elected at the extraordinary general assembly meeting held on 2022/04/11 AD, for a three-year term starting on 2022/04/17 AD and ending on 2025/04/16 AD:

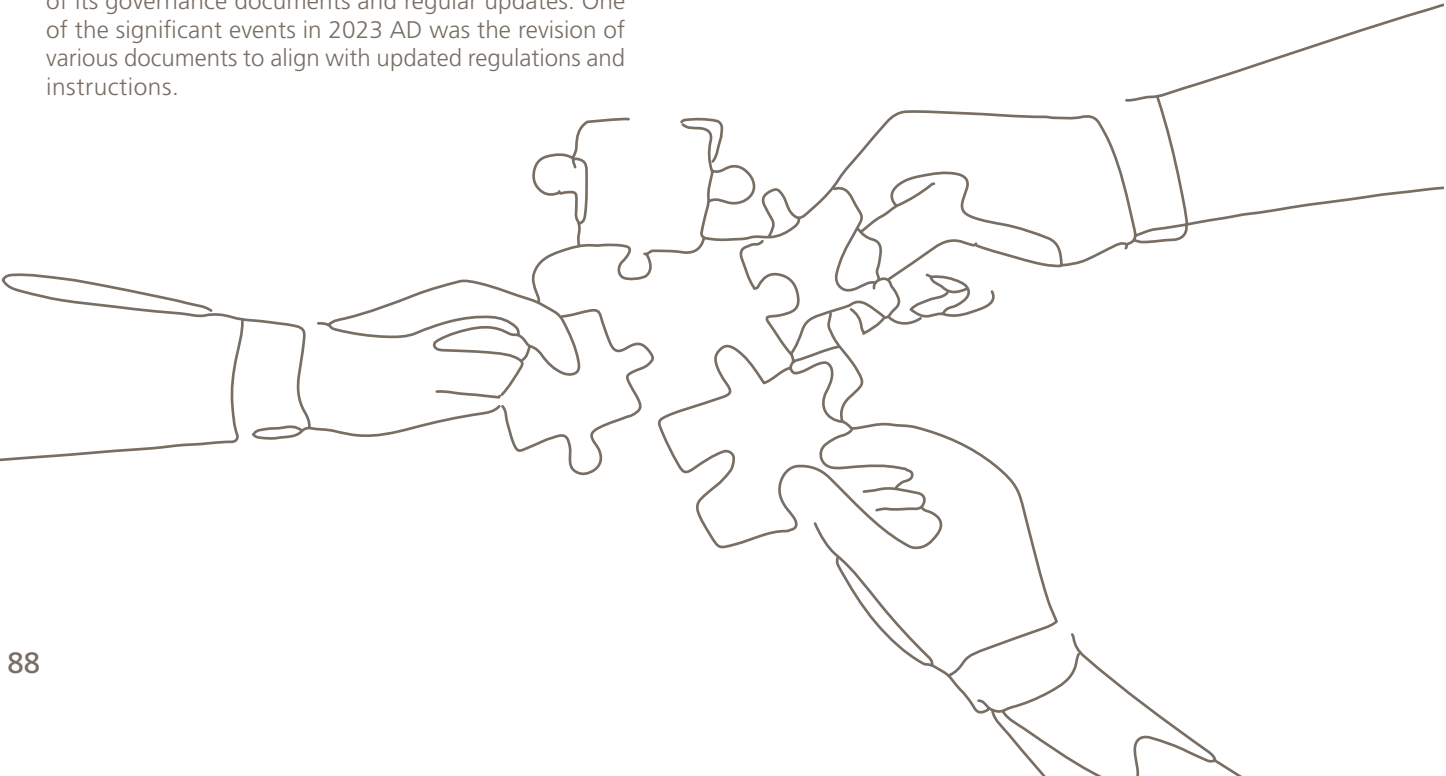
A. Members of the Board of Directors:

	Name	Post	classification
1	Mr. Nasser Mohammed AlSubeaei	Chairman of the Board of Directors	Non-Executive
2	Mr. Adeeb Mohammed Abanumai	Vice Chairman	independent
3	Dr. Zeyad Othman Alhekail	member	independent
4	Mr. Abdulaziz Mohammed AlOnaizan	Member - Chief Executive Officer	Executive
5	Mr. Khalid Abdulrahman AlRajhi	member	Non-Executive
6	Mr. Nasser Suleiman Al-Nasser	member	independent
7	Mr. Mohammed Abdulrahman AlRajhi	member	Non-Executive
8	Mr. Haitham Mohammed Al-Fayez	member	independent
9	Mr. Muadh Abdulrahman Al-Husseini	member	independent
10	Mr. Haytham Sulaiman AlSuhaimi	member	Non-Executive

⁶ As per Article 15 of the Bank’s bylaws, the company will be overseen by a Board of Directors comprising eleven members.

Paragraph (B-1) of Article (17) states that the Board of Directors must be composed in accordance with the provisions of the Bylaws, while also adhering to the Companies Law, relevant regulations, and mandatory instructions of the organization. This includes determining the number and classification of its members, as well as the minimum number of meetings required. In the event a position becomes vacant, the Board of Directors may choose to maintain the current number of members after the mentioned position(s) become vacant, as long as the composition and characteristics of the Board meet the necessary legal and regulatory requirements.

Following an apology from one of the members and the commencement of the current session on April 17, 2022, the board’s current membership of 10 members was deemed satisfactory.



B. Qualifications, Positions and Experience of Board Members

Mr. Nasser Mohammed AlSubeaei - Chairman - Non-Executive Member

Mr. Nasser bin Mohammed Al-Subaie brings with him an impressive 40 years of experience in the financial, banking, investment, and real estate sectors. He holds a bachelor's degree in accounting from King Saud University and has held numerous administrative positions and board memberships in various companies and entities. Some of his notable roles include:

Current membership in the boards of directors of companies and other entities or their directors	Capacity or position	Inside / Outside the Kingdom	Legal entity
Mohammed Ibrahim Al Subaie & Sons Investment Company (MASIC)	Board Member	Inside the Kingdom	Closed Joint-stock
Thakher Company	Board Member	Inside the Kingdom	Closed Joint-stock
ALARGAN Projects Company	Board Member	Inside the Kingdom	Closed Joint-stock
Akwan Real Estate Company	Board Member	Inside the Kingdom	Closed Joint-stock
Previous membership in the boards of directors of companies and other entities or their directors	Capacity or position	Inside / Outside the Kingdom	Legal entity
Dur Hospitality Company	Board Member	Inside the Kingdom	Listed Joint stock

Mr. Adeeb Mohammed Abanumai - Vice Chairman - Independent Member

Mr. Adeeb bin Mohammed Abanmi has extensive experience in various roles and has a strong educational background. He has a master's degree in accounting from the University of Miami, USA, and a bachelor's degree in accounting from King Saud University. Throughout his career, he has held numerous administrative positions and served on various boards of companies and organizations. Some notable positions include:

Current membership in the boards of directors of companies and other entities or their directors	Capacity or position	Inside / Outside the Kingdom	Legal entity
National Poultry Company	Board Member	Inside the Kingdom	Closed Joint-stock
AL Maather REIT Fund	Board Member	Inside the Kingdom	Real Estate Investment Traded Fund
AlMaarefa University Company	Board Member	Inside the Kingdom	Closed Joint-stock
Soybean Crushing Company And Derivatives Limited	Board Member	Inside the Kingdom	Closed Joint-stock

Mr. Adeeb Mohammed Abanumai - Vice Chairman - Independent Member (Continue)

Previous membership in the boards of directors of companies and other entities or their directors	Capacity or position	Inside / Outside the Kingdom	Legal entity
Tunisian Saudi Bank	Board Member	Outside the Kingdom	Public Joint-stock Between the Kingdom of Saudi Arabia and the Republic of Tunisia
Bin Saedan Real Estate Company	Board Member	Inside the Kingdom	Closed Joint-Stock
Jazan Power and Development Company	Board Member	Inside the Kingdom	Listed Joint stock

Dr. Zeyad Othman Alhekail - Independent Member

Dr. Ziad bin Othman Al-Hogail brings a wealth of experience in various fields. He has an impressive educational background, with a doctorate and master's degree in electrical engineering from Ohio State University, USA, and a bachelor's degree in electrical engineering from King Saud University. Throughout his career, he has held numerous administrative positions and served on various boards of companies and organizations. Some notable positions include:

Current membership in the boards of directors of companies and other entities or their directors	Capacity or position	Inside / Outside the Kingdom	Legal entity
Makkah Construction & Development Company	Board Member	Inside the Kingdom	Listed Joint-Stock
Advanced Communication & Electronics Systems Co.	Chairman of the Board of Directors	Inside the Kingdom	Closed Joint-Stock
Knowledge Connect Company	Board Member	Inside the Kingdom	Limited liability
Sulaiman Al Rajhi Real Estate Investment Company	Board Member	Inside the Kingdom	Limited liability
Amlak Al Sabq Company	Board Member	Inside the Kingdom	Limited liability
SEDCO Holding Company	Board Member	Inside the Kingdom	Closed Joint-Stock
Al Khozama Homes Company	Board Member	Inside the Kingdom	Closed Joint-Stock
Tadweeer National Environment Recycling Co	Partner	Inside the Kingdom	Closed Joint-Stock
ARAK Company	Partner	Inside the Kingdom	Limited liability

Dr. Zeyad Othman Alhekail - Independent Member (Continue)

Previous membership in the boards of directors of companies and other entities or their directors	Capacity or position	Inside / Outside the Kingdom	Legal entity
National Aquaculture Group	Chairman of the Board of Directors	Inside the Kingdom	Closed Joint-Stock
Jabal Omar Company	Chairman of the Board of Directors	Inside the Kingdom	Listed Joint-Stock
Sulaiman bin Abdulaziz Al Rajhi Holding Company	Board Member	Inside the Kingdom	Limited liability
National Information Systems Co.	Board Member	Inside the Kingdom	Limited liability
Sulaiman Al Rajhi Company for Education and Development	Board Member	Inside the Kingdom	Limited liability
Advanced Educational Company	Board Member	Inside the Kingdom	Closed Joint-Stock
Al Watania Agriculture Company	Board Member	Inside the Kingdom	Limited liability
Saudi Tabreed Company	Board Member	Inside the Kingdom	Limited liability
Saudi Grain Holding Company	Board Member	Inside the Kingdom	Limited liability

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

Mr. Abdulaziz bin Mohammed Al-Onaizan has an extensive banking background spanning over thirty-five years. He obtained a bachelor's degree in quantitative methods from King Saud University and has completed numerous advanced courses and programs from prestigious international institutes. Throughout his career, he has held various administrative positions and served on multiple boards of companies and other organizations. Some notable positions include:

Current membership in the boards of directors of companies and other entities or their directors	Capacity or position	Inside / Outside the Kingdom	Legal entity
Albilad Capital Company	Vice Chairman	Inside the Kingdom	Closed Joint-Stock
Bayan Credit Bureau	Chairman of the Board of Directors	Inside the Kingdom	Closed Joint-Stock
Enjaz Payment Services Company	Chairman of the Board of Directors	Inside the Kingdom	Closed Joint-Stock
Real Estate Development Fund	Board Member	Inside the Kingdom	Government Fund
Zakat and Tax Advisory Committee	Membership	Inside the Kingdom	
BUNA Company	Board Member	Outside the Kingdom	

Mr. Abdulaziz Mohammed AlOnaizan – Executive Member – Chief Executive Officer (Continue)

Previous membership in the boards of directors of companies and other entities or their directors	Capacity or position	Inside / Outside the Kingdom	Legal entity
Alinma Investment Company	General Manager of Treasury and Investment	Inside the Kingdom	Closed Joint-Stock
Alinma Bank	General Manager of Treasury and Investment	Inside the Kingdom	Listed Joint-Stock
Arab National Bank	General Manager of Treasury and Investment	Inside the Kingdom	Listed Joint-Stock
Samba Financial Group	Assistant Treasury Manager	Inside the Kingdom	Listed Joint-Stock

Mr. Khalid Abdulrahman AlRajhi - Non-Executive Member

Mr. Khalid bin Abdulrahman Al-Rajhi has extensive experience in various fields and holds a bachelor's degree in financial management from King Fahd University of Petroleum and Minerals. Throughout his career, he has held numerous managerial positions and served on the boards of several companies and organizations. Some notable roles include:

Current membership in the boards of directors of companies and other entities or their directors	Capacity or position	Inside / Outside the Kingdom	Legal entity
Saudi Cement Company	Chairman of the Board of Directors	Inside the Kingdom	Listed Joint-Stock
Tanami Arabia Company	Board Member	Inside the Kingdom	Limited liability
Abdul Rahman Saleh Al Rajhi & Partners Co. Ltd.	Chairman of the Board of Directors	Inside the Kingdom	Limited liability
Previous membership in the boards of directors of companies and other entities or their directors	Capacity or position	Inside / Outside the Kingdom	Legal entity
Dana Gas Company	Member of the Audit Committee	Outside the Kingdom	Listed Joint-Stock
NAS Company	Board Member	Outside the Kingdom	Listed Joint-Stock
Saudi Telecom Company	Board Member	Inside the Kingdom	Listed Joint-Stock
Bahri Company	Board Member	Inside the Kingdom	Listed Joint-Stock
Walaa Company	Board Member	Inside the Kingdom	Listed Joint-Stock
Takween Advanced Industries	Board Member	Inside the Kingdom	Listed Joint-Stock
Albilad Capital Company	Board Member	Inside the Kingdom	Closed Joint-Stock

Mr. Nasser Suleiman Al-Nasser - Independent Member

Mr. Nasser bin Sulaiman Al-Nasser brings a wealth of experience in various fields. He earned a bachelor’s degree in electrical engineering from King Saud University and has held numerous administrative positions and board memberships in various companies and organizations. Some notable roles include:

Current membership in the boards of directors of companies and other entities or their directors	Capacity or position	Inside / Outside the Kingdom	Legal entity
Pioneer Medical Solutions Company	Owner & Founder	Inside the Kingdom	One person
Abdulaziz & Saad Al-Moajil Trade & Investment Company	Chairman of the Executive Committee of the Board of Directors	Inside the Kingdom	Closed Joint-Stock
Previous membership in the boards of directors of companies and other entities or their directors	Capacity or position	Inside / Outside the Kingdom	Legal entity
STC Group	CEO	Inside the Kingdom	Listed Joint-Stock
Arabian Internet and Communications Services Company SJSC	Chairman of the Board of Directors	Inside the Kingdom	Listed Joint-Stock
Etihad Telecom Company	Chief Operating Officer	Inside the Kingdom	Listed Joint-Stock

Mr. Mohammed Abdulrahman AlRajhi - Non-Executive Member

Mr. Mohammed bin Abdulrahman Al-Rajhi has accumulated over 30 years of experience in various investment fields. He obtained a bachelor's degree in business administration from King Abdulaziz University and has held numerous administrative positions and board memberships in various companies and entities. Some of his notable roles include:

Current membership in the boards of directors of companies and other entities or their directors	Capacity or position	Inside / Outside the Kingdom	Legal entity
Al Rajhi Real Estate Investment Company	Manager	Inside the Kingdom	Limited liability
Al-Bilad Establishment for Journalism and Publishing	Board Member	Inside the Kingdom	Limited liability
Previous membership in the boards of directors of companies and other entities or their directors	Capacity or position	Inside / Outside the Kingdom	Legal entity
Bank Aljazira	Sector Manager	Inside the Kingdom	Listed Joint-Stock
Arab Financial Services	Board Member	Outside the Kingdom Kingdom of Bahrain	Closed Joint-Stock
Al Rajhi Trading Exchange Establishment	Acting CEO	Inside the Kingdom	Listed Joint-Stock

Mr. Haitham Mohammed Al-Fayez - Independent Member

Mr. Haitham bin Mohammed Al-Fayez boasts over 15 years of diverse experience in various industries. He has a master’s degree in business administration from Imperial University of London - United Kingdom, and a bachelor’s degree in management information systems from King Fahd University of Petroleum and Minerals. Throughout his career, he has held numerous administrative positions and served on various boards of companies and organizations. Some notable roles include:

Current membership in the boards of directors of companies and other entities or their directors	Capacity or position	Inside / Outside the Kingdom	Legal entity
Awqaf Investment Company	Managing director	Inside the Kingdom	Closed Joint-Stock
Kidana Company	Board Member	Inside the Kingdom	Closed Joint-Stock
Um Al-Qura Company for Development and Construction	Board Member	Inside the Kingdom	Closed Joint-Stock
Previous membership in the boards of directors of companies and other entities or their directors	Capacity or position	Inside / Outside the Kingdom	Legal entity
Kingdom Holding Company	Chief Local Investment Officer	Inside the Kingdom	Listed Joint-Stock
Saudi Aramco Company	Head of Direct Investments	Inside the Kingdom	Listed Joint-Stock
Jadwa Company	Head of Fund Investments	Inside the Kingdom	Closed Joint-Stock

Mr. Muadh Abdulrahman Al-Husseini - Independent Member

Mr. Moaz bin Abdulrahman Al-Husseini has a wealth of experience from his previous work in various local and international banks. He obtained a bachelor’s degree in management information systems from King Fahd University of Petroleum and Minerals. Additionally, he holds a CFA certificate and is a certified financial risk manager FRM. Throughout his career, he has held numerous administrative positions and served on various boards of companies and other entities. Some of his notable roles include:

Current membership in the boards of directors of companies and other entities or their directors	Capacity or position	Inside / Outside the Kingdom	Legal entity
Ehata Financial Company	Managing Director Board Member	Inside the Kingdom	Limited Liability
Saudi Mining Services Co.	Board Member	Inside the Kingdom	Closed Joint-Stock
Dan Company	Board Member	Inside the Kingdom	Closed Joint-Stock
Darahim Investment Company	Board Member	Outside the Kingdom	Closed Foreign Joint-Stock
Previous membership in the boards of directors of companies and other entities or their directors	Capacity or position	Inside / Outside the Kingdom	Legal entity
Lendo Company	Board Member	Inside the Kingdom	Closed Joint-Stock

Mr. Haytham Sulaiman AlSuhaimi - Non-Executive Member

Mr. Haitham bin Sulaiman Al-Suhaimi brings a wealth of experience in wealth and investment management, having held various positions throughout his career. He holds a master’s degree in investment and financial risk from the University of Westminster in Britain, as well as a bachelor’s degree in business administration from the United Arab Emirates. He has held numerous management positions and served on the boards of several companies and entities. Some of his notable roles include:

Current membership in the boards of directors of companies and other entities or their directors	Capacity or position	Inside / Outside the Kingdom	Legal entity
Nusaned Fund	Board Member	Inside the Kingdom	Closed-End Fund
Sharing Solutions for Information Technology	Board Member	Inside the Kingdom	Limited liability
Telad Investment Company	Board Member	Inside the Kingdom	Closed Joint-Stock
Member of the Board of Directors of Merak Technology Investment Fund	Member of the Committee of Advisors	Inside the Kingdom	Closed-End Fund
Previous membership in the boards of directors of companies and other entities or their directors	Capacity or position	Inside / Outside the Kingdom	Legal entity
-	-	-	-

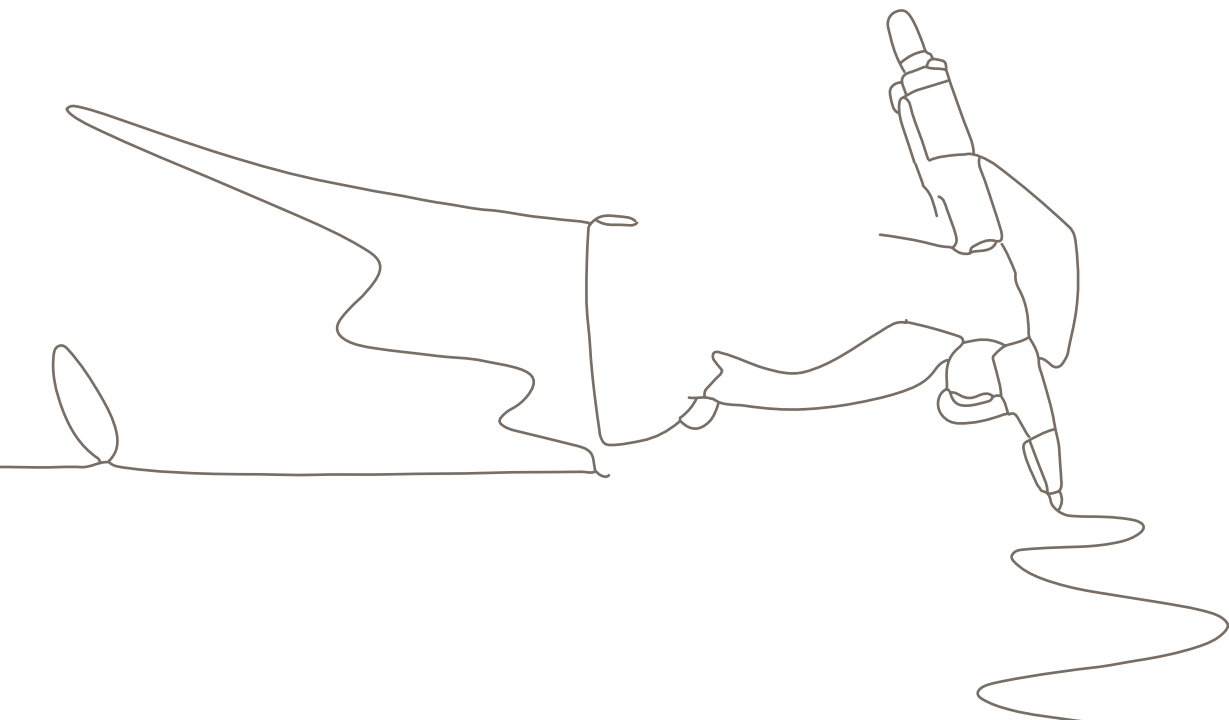
C. Record of attendance at the 2023 Board of Directors meetings

To bolster its position, the Board of Directors convened a total of seven meetings in the year 2023.Meetings of the Board of Directors held during the year 2023 and attendance record:

#	Name	Role	Date & Number of the meeting						
			22/01/2023	07/03/2023	22/03/2023	01/05/2023	12/06/2023	25/09/2023	15/12/2023
			01/23	02/23	03/23	04/23	05/23	06/23	07/23
1	Mr. Nasser Mohammed AlSubeaei	Chairman of the Board of Directors	√	X ^(*)	√	√	√	√	√
2	Mr. Adeeb Mohammed Abanumai	Vice Chairman	√	√	√	√	√	√	√
3	Dr. Zeyad Othman Alhekail	member	√	√	√	√	√	√	√
4	Mr. Abdulaziz Mohammed AlOnaizan	member	√	√	√	√	√	√	√
5	Mr. Khalid Abdulrahman AlRajhi	member	√	√	√	√	√	√	√
6	Mr. Nasser Suleiman Al-Nasser	member	√	√	√	√	√	√	√
7	Mr. Mohammed Abdulrahman AlRajhi	member	√	√	√	√	√	√	√
8	Mr. Haitham Mohammed Al-Fayez	member	√	√	√	√	√	√	√
9	Mr. Muadh Abdulrahman Al-Husseini	member	√	√	√	√	√	√	√
10	Mr. Haytham Sulaiman AlSuhaimi	member	√	√	√	√	√	√	√

(√) attended - (X) apologized

(*) The Chairman of the Board of Directors apologized for not attending this meeting in accordance with the policy and procedures for handling conflicts of interest and related party transactions.



D. Balance of shares of the Board of Directors’ members, their wives, and minor children

he following table shows the number of shares owned by Board of Directors members, their wives, and minor children at the beginning and end of fiscal year 2023:

	Name of the Shareholder	Number of shares at the beginning of the year 2023	Number of shares at the end of the year 2023	Net change	Change Rate (%)
1	Mr. Nasser Mohammed AlSubeaei	3,006,676	3,080,993	74,317	2 %
2	Dr. Zeyad Othman Alhekail	-	-	-	-
3	Mr. Abdulaziz Mohammed AlOnaizan	87,448	379,022	291,574	333 %
4	Mr. Adeeb Mohammed Abanumai	-	-	-	-
5	Mr. Haytham Sulaiman AlSuhaimi	-	-	-	-
6	Mr. Khalid Abdulrahman AlRajhi	91,260,056	88,686,864	(2,573,192)	3- %
7	Mr. Mohammed Abdulrahman AlRajhi	20,869	29,611	8,742	42 %
8	Mr. Nasser Sulaiman Al-Nasser	-	-	-	-
9	Mr. Muadh Abdulrahman Al-Husseini	-	-	-	-
10	Mr. Haitham Mohammed Al-Fayez	-	-	-	-

E. Current and previous positions of senior executives, their qualifications and experience

Name	Current Position	Previous Positions	Qualifications	Experiences	Specialization
Mr. Abdulaziz Mohammed AlOnaizan	CEO	Chief Business Officer at Bank Albilad	Bachelor	36 years	Quantitative methods
Mr. Bashaar Yahya Al Qunaibit	Senior Vice President of Business	Chief Operating Officer – Saudi British Bank Takaful	Bachelor	21 years	Business Administration
Mr. Saleh Sulaiman AlHabib	Executive Vice President of Shared Services	General Manager of Corporate Banking at Bank Albilad	Bachelor	29 years	Accounting
Mr. Abdullah Mohammed AlArifi	Executive Vice President of Risk	General Manager of Credit Policies Sector Bank Albilad	Bachelor	27 years	Accounting
Mr. Hisham Ali AlAkil	Executive Vice President of Finance	Chief Financial Officer – Al Rajhi Capital	Master	22 years	Accounting

E. Current and previous positions of senior executives, their qualifications and experience (Continue)

Name	Current Position	Previous Positions	Qualifications	Experiences	Specialization
Mr. Samer Mohammed Farhoud	Executive Vice President of Treasury	Chief Executive Officer – Deutsche Gulf Finance	Bachelor	36 years	Computer Engineering
Mr. Abdullah Saad AlRuwais	Executive Vice President Retail Banking	Chief Executive Officer - Saudi Financial Lease Contract Registry Company	Bachelor	23 years	Computer Science
Mr. Haitham Medainy AlMedainy	Executive Vice President of Human Resources	Head of Recruitment at The Saudi British Bank	Bachelor	27 years	Computer Engineering
Mr. Saad Ibrahim Aldrees	Executive Vice President Corporate Banking	Head of Finance & Global Transaction Services	Master	18 years	Business Administration
Mr. Abdulaziz Saleh Alghufaili	Chief Technology Officer	Head of Technology Department - Saudi Industrial Development Fund	Master	22 years	Information Systems

F. Balance of shares of the senior executives, their wives, and minor children

	Name of the Shareholder	Post	Number of shares at the beginning of 2023	Number of shares at the end of 2023	Net change	Change rate (%)
1	Mr. Abdulaziz Mohammed AlOnaizan	CEO	87,448	379,022	291,574	333 %
2	Mr. Bashaar Yahya Al Qunaibit	Executive Vice President of Business	-	14,623	14,623	-
3	Mr. Saleh Sulaiman AlHabib	Executive Vice President of Shared Services	245,224	368,418	123,194	50 %
4	Mr. Abdullah Mohammed AlArifi	Executive Vice President of Risk	142,566	243,116	100,550	71 %
5	Mr. Samer Mohammed Farhoud	Executive Vice President of Treasury	-	88,016	88,016	-
6	Mr. Haitham Medainy AlMedainy	Executive Vice President of Human Resources	21,838	122,815	100,977	462 %
7	Mr. Hisham Ali AlAkil	Executive Vice President of Finance	64,575	152,619	88,044	136 %
8	Mr. Abdulaziz Saleh Alghufaili	Chief Technology Officer	-	2,592	2,592	-
9	Mr. Saad Ibrahim Aldrees	Executive Vice President of Corporate Banking	-	26,248	26,248	-
10	Mr. Abdullah Saad AlRuwais	Executive Vice President of Retail Banking	-	1,525	1,525	-

BOARD
COMMITTEES

The Board of Directors committees carry out their duties and responsibilities in accordance with the applicable guidelines, regulations, and governance policies approved by the Board of Directors or the General Assembly, as needed. These guidelines and policies outline the committees’ authority and operating procedures. These committees were established concurrently with the current session’s Board of Directors and are to serve three-year terms beginning on April 2022 ,17, and ending on April 2025 ,16.

A) Executive Committee:

The Executive Committee is accountable for ensuring the efficiency of the decision-making process at the highest levels to achieve the bank’s objectives within the set timeframe. They also support the Board of Directors in carrying out their responsibilities and enhancing their role in promoting, monitoring, and implementing the bank’s strategy to drive effective performance. The committee consistently reviews and monitors the bank’s operations, makes decisions, and provides necessary recommendations to the Board.

The committee currently consists of five members of the Board of Directors. The committee convened a total of 13 meetings throughout the year 2023. Below is a summary of the committee meetings and the people who attended:

Meetings of the Executive Committee held during the year 2023 and attendance record:

#	Name	Role	Date & Number of the meeting											
			16/01/2023	14/02/2023	13/03/2023	19/03/2023	10/04/2023	25/05/2023	24/06/2023	17/07/2023	02/08/2023	17/09/2023	22/10/2023	13/11/2023
			01/23	02/23	03/23	04/23	05/23	06/23	07/23	08/23	09/23	10/23	11/23	12/23
1	Mr. Nasser Bin Mohammed Alsubaie	Chairman of the Committee	√	√	√	√	√	√	√	√	√	√	√	√
2	Mr. Abdulaziz M. AlOnaizan	Member	√	√	√	√	√	√	√	√	√	√	√	√
3	Mr. Khalid Abdulrahman Al-Rajhi	Member	√	√	√	√	√	√	√	√	√	√	√	√
4	Mr. Nasser Suleiman Alnasser	Member	√	√	√	√	√	√	√	√	√	√	√	√
5	Mr. Haitham Suleiman Alsuhaimi	Member	√	√	√	√	√	√	√	√	√	√	√	√

(√) attended - (X) apologized

B) Nominations and Remuneration Committee

The committee is responsible for conducting an annual review of the necessary skills required for membership on the Board of Directors and its affiliated committees, according to their respective nature and regulations. They also periodically evaluate the structure and composition of the Board and its committees, identifying strengths and weaknesses among members and proposing solutions to address them. The committee presents its recommendations to the Board of Directors, ensuring that candidates for membership possess the appropriate qualifications and experiences. Additionally, they verify the independence of independent board members and ensure the absence of conflicts of interest on an annual basis. The committee is also tasked with studying, developing, updating, and proposing policies regarding the rewards and incentives of board members, executive management, and committee members. It additionally handles the policy and mechanism for replacing board members, committee members, and executive management. The committee then submits its recommendations to the Board of Directors for approval on the bank’s organizational structure and any necessary updates or amendments.

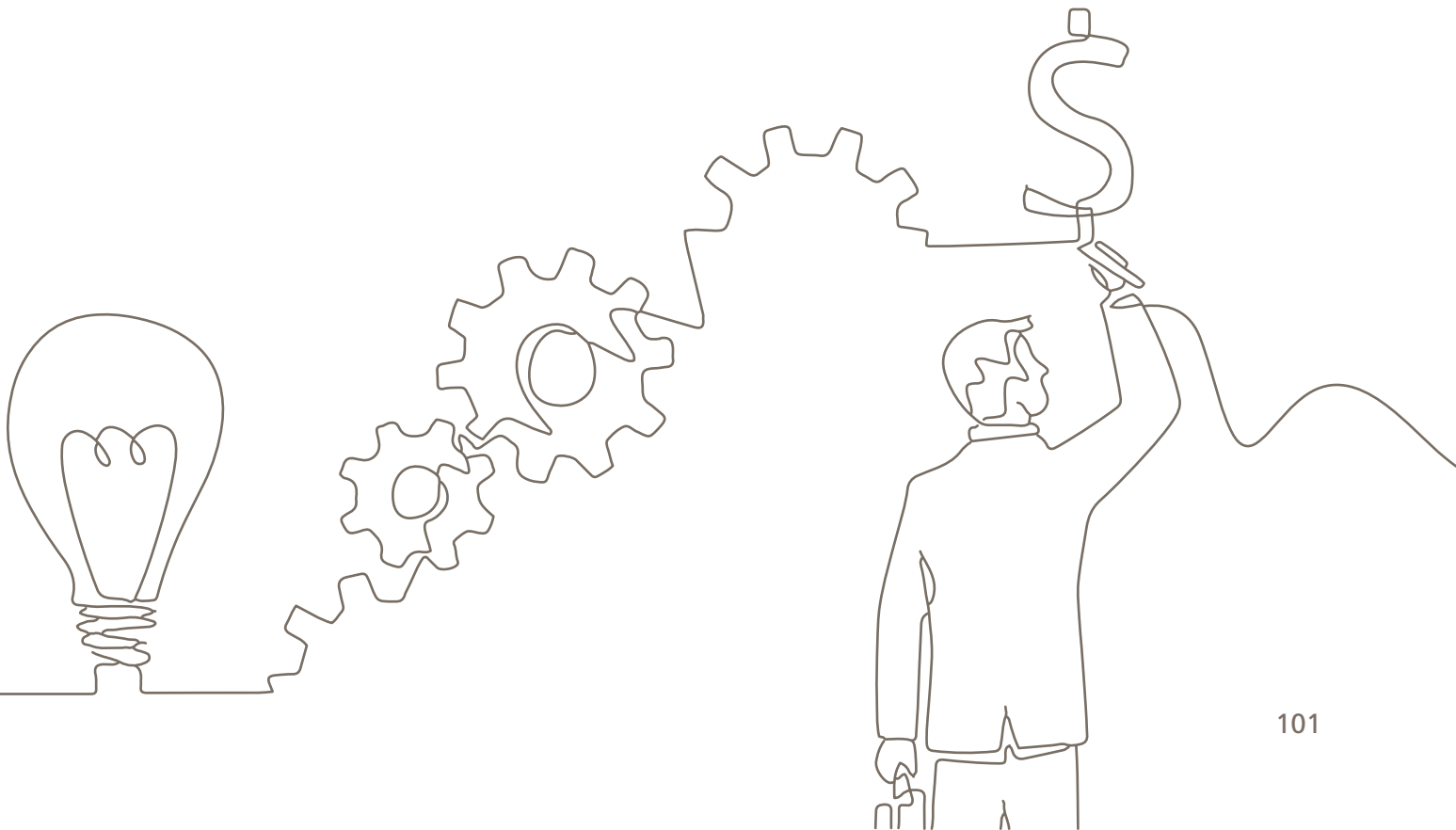
The committee currently consists of three members, one of whom is a member of the Board of Directors, while the other two are external members. The Committee held a total of 8 meetings throughout the year 2023. **Below is a list of the biographies of the external members:**

Mr. Khalid Bin Saleh Al-Hathal

Mr. Khalid bin Saleh Al-Hathal brings over 35 years of extensive experience in various banking and commercial sectors. He has held numerous positions throughout his career, including Executive Director of Shared Services at Al-Faisaliah Group and CEO of ANN Limited, among other companies. Currently, he serves as the CEO of Mozn Investment Company and holds memberships on several boards of directors and committees. Mr. Al-Hathal holds a master’s degree and a bachelor’s degree in business administration from Indiana University in the United States of America.

Mr. Samir Bin Omar Baissa

Mr. Samir bin Omar Baisa has a wealth of experience in the banking industry, with a diverse background in various roles. He has been a member of the Board of Directors at Al Bilad Bank, served as the Regional Director for the Western Region at the Saudi National Bank, and held the position of General Manager of the branch network at Banque Saudi Fransi. Additionally, he has worked as a Business Development Advisor at Riyadh Bank. currently,he holds the position of Chairman of the Board of Directors at the Saudi Tools Company (SACO). He has earned a master’s degree in business administration from California State University and a bachelor’s degree in business administration from King Abdulaziz University.



Meetings of the Nominations and Remuneration Committee held during the year 2023 and attendance record:

#	Name	Role	Date & Number of the meeting							
			03/01/2023	15/02/2023	14/03/2023	14/05/2023	07/06/2023	18/09/2023	02/10/2023	06/12/2023
			01/23	02/23	03/23	04/23	05/23	06/23	07/23	08/23
1	Mr. Haitham Bin Muhammad Alfayez	Chairman of the Committee	√	√	√	√	√	√	√	√
2	Mr. Khalid Bin Saleh Alhathal	Member	X (*)	√	X (*)	√	√	√	√	√
3	Mr. Samir bin Omar Baissa	Member	√	√	√	√	√	√	√	√

(√) attended - (X) apologized

(*) Committee member Mr. Khaled Al-Hathal apologized for not attending this meeting in accordance with the policy and procedures for handling conflicts of interest and related party transactions.

C) Risk Committee

The Risk Committee’s primary responsibilities involve offering guidance and consultation to the Board of Directors on the bank’s present and future plans and strategies, particularly in relation to risk management. They also oversee the execution of these plans and strategies by the bank’s executive management. The committee’s main focus is to support the Board of Directors in overseeing various aspects of risk management in the bank. This includes monitoring the performance and execution of tasks carried out by the bank’s risk management group, which covers areas such as market and credit risks, investment, financial and operational risks, liquidity risks, reputation, business continuity, technical systems risk, technical and information security risks (cyber), legal risks, and strategic risks. The committee is responsible for reviewing the bank’s internal risk policies and presenting them to the Board of Directors for approval. They also approve the allocation of acceptable credit risks, fulfil credit responsibilities and approved risks, periodically assess risk limits and new product risks, ensure compliance with regulatory instructions, and establish appropriate oversight systems. Additionally, they may undertake any tasks or responsibilities assigned by the Board of Directors, as long as they do not conflict with the duties .of other committees

The committee currently has four members, three of whom are part of the Board of Directors, and the other is :an external member. Below is the biography of the external member

Mr. Faisal Taleb Humaid

Mr. Faisal Taleb Humaid has more than 20 years of experience in the private sector, specializing in cybersecurity, governance, risk management, and compliance. He has also gained extensive experience in various technical and leadership roles within renowned international companies across different regions, such as the United States of America, the United Kingdom, and the Middle East. These companies include Ernst & Young, Exxon Mobil, the World Bank Group, Hewlett Packard, and Kearney, where he has developed specialized expertise. He was appointed as a consultant and executive director at IBM. He obtained a master’s degree in cybersecurity from George Mason University in the United States of America in 2006, and a bachelor’s degree in computer science from the same university in 2003.The committee currently has four members, three of whom are part of the Board of Directors, and the other is an external member. Below is the biography of the external member:

The committee convened a total of 5 meetings throughout the year 2023.

Meetings of the Risk Committee held during the year 2023 and attendance record:

#	Name	Role	Date & Number of the meeting				
			27/02/2023	05/03/2023	22/05/2023	08/08/2023	31/12/2023
			01/23	02/23	03/23	04/23	05/23
1	Mr. Muadh Abdulrahman AlHusseini	Chairman of the Committee	√	√	√	√	√
2	Mr. Haitham Mohammed AlFayez	Member	√	√	√	√	√
3	Mr. Mohammed Abdulrahman AlRajhi	Member	√	√	√	√	√
4	Mr. Faisal Taleb Humaid	Member	√	√	√	√	√

(√) attended - (X) apologized

D) Compliance and Governance Committee

The committee is tasked with overseeing and maintaining the highest standards of governance. They act on behalf of the Board of Directors to ensure that sound governance practices are followed in all the bank’s activities. The committee is responsible for ensuring that the bank complies with all approved local, regional, and international regulations, standards, and rules. They also conduct regular reviews of the overall governance framework and related mechanisms. This includes reviewing the regulations of committees associated with the Board of Directors and the Executive Management and providing recommendations to the Board of Directors. The committee is responsible for closely monitoring and ensuring that the bank has effective mechanisms in place to identify any potential conflicts of interest in all its operations and activities. The committee is responsible for approving the annual Compliance and Combating Financial Crimes Sector Program. It also reviews the annual compliance report submitted to the Central Bank of Saudi Arabia and ensures that the Compliance and Combating Financial Crimes Sector is adequately independent and effective in implementing the Compliance and Combating Financial Crimes policy and guide. The committee also reviews the periodic and annual reports for each sector and ensures that any gaps or violations are addressed. Additionally, it evaluates the sector and compliance plan/program.

The committee currently consists of three members, two of whom are members of the Board of Directors, while one is an external member. The Committee held a total of 5 meetings throughout the year 2023. Below is the biography of the external member

Mr. Samir Bin Omar Baissa

Mr. Samir bin Omar Baisa has extensive experience in the banking industry with a diverse background in various roles. He has been a member of the Board of Directors at Al Bilad Bank, served as the Regional Director for the Western Region at the Saudi National Bank, and served as the General Manager of the branch network at Banque Saudi Fransi. Additionally, he has worked as a Business Development Advisor at Riyadh Bank. He currently serves as the Chairman of the Board of Directors at the Saudi Tools Company (SACO). He has earned a master’s degree in business administration from California State University and a bachelor’s degree in business administration from King Abdulaziz University.

Meetings of the Compliance and Governance Committee held during the year 2023 and attendance record:

#	Name	Role	Date & Number of the meeting				
			14/03/2023	05/04/2023	06/06/2023	20/09/2023	05/12/2023
			01/23	02/23	03/23	04/23	05/23
1	Dr. Ziad Othman Alhekail	Chairman of the Committee	√	√	√	√	√
2	Mr. Muadh Abdulrahman Alhossiny	Member	√	√	√	√	√
3	Mr. Sameer Bin Omar Baissa	Member	√	√	√	√	√

(√) attended - (X) apologized

E) Audit Committee

The Audit Committee is responsible for overseeing the internal audit sector. This involves ensuring the efficiency and impartiality of the sector in carrying out its duties, confirming the adequacy of personnel, endorsing the sector’s strategy, strategic plan, and annual plan for internal auditing, analyzing the reports issued by the audit sector, monitoring corrective actions, and ensuring their implementation. It guarantees that, at minimum once every five years, an independent external assessment of the internal audit sector is carried out. The committee is responsible for approving the strategic and annual Sharia review plan and ensuring its implementation. It also selects the bank’s external auditors, sets their fees, oversees their activities, reviews their work plan, assesses their performance, ensures their independence, and ensures that the executive management collaborates with them. The committee discusses the auditors’ observations, coordinates with the internal audit, and examines the interim and annual financial statements and recommendations before obtaining approval from the Board of Directors. The committee diligently reviews the observations made by regulatory authorities and external auditors. It also carefully examines contracts and transactions involving related parties, along with other supervisory tasks outlined in the regulations by the General Assembly.

The Committee currently has three members, one of whom is a member of the Board of Directors (Chairman of the Committee), while the other two are external members. Below are the biographies of the external members:

Mr. Mohammed bin Farhan bin Nader.

Mr. Mohammed bin Farhan bin Nader has extensive experience in banking and consulting, gained from working in both local and international consulting companies. He holds American and Saudi fellowships for certified public accountants, along with a master’s degree in business administration from Heriot-Watt University in Britain, and a bachelor’s degree in accounting from the University of King Saud.

Mr. Abdulaziz bin Abdullah Al-Aql.

Mr. Abdulaziz bin Abdullah Al-Aql has extensive experience from his previous roles as Vice President of Internal Auditing at the Arab Bank and Director of Information Technology Review at Riyadh Bank, Al Rajhi Bank, and Bank Al Bilad. He also has a background in computer technology from his work at the Ministry of Defense and Aviation and as a consultant for Auditor Company. He currently holds a position on the Board of Directors and serves as the Chairman of the Audit Committee at Tadweer National Environment. He is certified as an internal auditor by the Institute of Internal Auditors in America, a risk analyst by the American Academy of Financial Management, and a risk information system controller by Information Systems Audit and Control Association in USA. He earned a bachelor’s degree in computer science from Monmouth University in USA.

The Committee convened a total of 7 meetings throughout the year 2023.

Meetings of the Audit Committee held during the year 2023 and attendance record:

#	Name	Role	Date & Number of the meeting						
			01/02/2023	07/03/2023	26/04/2023	06/06/2023	23/07/2023	25/10/2023	19/12/2023
			01/23	02/23	03/23	04/23	05/23	06/23	07/23
1	Mr. Adeeb bin Muhammad Abanmi	Chairman of the Committee	√	X ^(*)	√	√	√	√	√
2	Mr. Mohammed bin Farhan bin Nader	Member	√	√	√	√	√	√	√
3	Mr. Abdulaziz bin Abdullah Al-Aql	Member	√	√	√	√	√	√	√

(√) attended - (X) apologized

(*) Committee member Mr. Adeeb Bin Muhammad Abanmi apologized for not attending this meeting in accordance with the policy and procedures for handling conflicts of interest and related party transactions.

F) Sharia Committee

The main objective of the Sharia Committee is to support the Board of Directors in fulfilling their responsibilities and fostering confidence in a compliant environment with the Bank’s Sharia provisions and principles. This is achieved by providing Sharia opinions and overseeing the Bank’s operations to safeguard the interests of shareholders and stakeholders. The committee carries out its responsibilities with complete independence, ensuring that it remains unaffected by any external influences that could compromise its ability to make unbiased Sharia decisions. Its main focus is to deliberate on relevant issues and issue Sharia decisions related to the practice of Islamic banking, all in accordance with the bank’s vision, mission, and values that uphold its identity. These decisions are made in accordance with the principles and provisions of Islamic Sharia, as well as the guidelines set forth by the Saudi Central Bank for Sharia governance in banks and local banks operating in the Kingdom.

The committee has a direct connection to the Board of Directors and is formed in compliance with the bank’s approved guidelines for committee formation. **The Sharia Committee is comprised of three members who have extensive knowledge and expertise in the jurisprudence of financial transactions and economics; their biographies are provided below:**

His Eminence Sheikh Prof. Dr. Abdullah Bin Musa Al-Ammar
(Chairman of the Committee)

Professor of Jurisprudence at the College of Sharia at Imam Muhammad ibn Saud Islamic University (IMSIU) previously, and part-time advisor at the Ministry of Islamic Affairs, Dawah, and Guidance. He worked as Undersecretary of the Department of Jurisprudence at the College of Sharia at IMSIU. His Eminence obtained a master’s degree and a doctorate from the Department of Jurisprudence at the College of Sharia from IMSIU in the year 1407 AH. He has authored several publications, 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).

His Eminence Sheikh Dr. Mohammed bin Saud Al-Osaimi (Member)

Experienced as the General Supervisor of Maqasid Institute for Economic Consultations and previously served as an Associate Professor at the College of Economics and Administrative Sciences at the Imam Muhammad ibn Saud Islamic University (IMSIU). He obtained a master’s and doctorate in economics from the University of Colorado - Boulder, USA in 1414 AH. He has authored several publications, 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.

His Eminence Sheikh Prof. Dr. Yousef bin Abdullah Al-Shubaily (Member)

Professor of jurisprudence at the Higher Judicial Institute at Imam Muhammad bin Saud Islamic University, and a member of the Sharia Council of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). His Eminence obtained a master’s and doctorate from the Department of Comparative Jurisprudence at the Higher Judicial Institute at Imam Muhammad bin Saud Islamic University in the year 1422 AH. He has authored several publications, 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 Committee convened a total of 22 meetings throughout the year 2023.

Meetings of the Sharia Committee held during the year 2023 and attendance record:

#	Name	Date & Number of the meeting										
		02/01/2023	17/01/2023	06/02/2023	19/02/2023	22/03/2023	01/05/2023	16/05/2023	07/06/2023	19/06/2023	01/08/2023	08/08/2023
		505	506	507	508	509	510	511	512	513	514	515
1	His Eminence Sheikh Prof. Dr. Abdullah bin Musa Al-Ammar	√	√	√	√	√	√	√	√	√	√	√
2	His Eminence Sheikh Dr. Muhammad bin Saud Al-Osaimi	√	√	√	√	√	√	√	√	√	√	√
3	His Eminence Sheikh Prof. Dr. Yousef bin Abdullah Al-Shubaily	√	√	√	√	√	√	√	√	√	√	√

#	Name	Date & Number of the meeting										
		22/08/2023	23/08/2023	19/09/2023	03/10/2023	17/10/2023	18/10/2023	08/11/2023	12/11/2023	27/11/2023	05/12/2023	25/12/2023
		516	517	518	519	520	521	522	523	524	525	526
1	His Eminence Sheikh Prof. Dr. Abdullah bin Musa Al-Ammar	√	√	√	√	√	√	√	√	√	√	√
2	His Eminence Sheikh Dr. Muhammad bin Saud Al-Osaimi	√	√	√	√	√	√	√	√	√	√	√
3	His Eminence Sheikh Prof. Dr. Yousef bin Abdullah Al-Shubaily	√	√	√	√	√	√	√	√	√	√	√

(√) attended - (X) apologized

Remuneration and Compensation

The determination of remuneration and compensation policies and the disclosure of the same are based on the laws and regulations governing listed joint-stock companies. This includes the executive regulations of the companies’ system, corporate governance regulations, and updates. Additionally, decisions are made in accordance with the rules, principles, and regulations set by the Central Bank of Saudi Arabia, approved international standards, bank policies, and related documents. Here is an overview of how the annual remuneration and compensation for members of the Board and its committees are determined, along with information on what members of the Board, its committees, and senior management receive:

Remuneration Policy for Board Members and Committees:

The remuneration of members of the Board of Directors, its committees, and senior management is determined in accordance with applicable laws and regulations, including the executive regulations of the corporate system for listed joint stock companies, updated corporate governance regulations, relevant circulars, principles and rules of the Central Bank of Saudi Arabia, and the bank’s bylaws. The provisions and standards are set based on the Bank’s relevant policies and documents.

The following are the key provisions and mechanisms for determining the remuneration of members of the Board of Directors and its committees:

1. General Remuneration

1.1 The total financial or in-kind remuneration and benefits received by a member of the Board of Directors should not exceed the maximum limit set by the bylaws, regulations, and instructions of regulatory and supervisory bodies .

1.2 The actual expenses incurred by the member to attend the meetings of the Board of Directors and its committees, including accommodation expenses and travel expenses, are not subject to the maximum remuneration limits mentioned earlier. These expenses are determined in accordance with this policy and other applicable policies and documents.

1.3 A member of the Board of Directors is entitled to receive compensation for any professional work they undertake, whether it is in an executive, technical, administrative, or advisory capacity. This remuneration is in addition to the compensation they receive as a member of the Board of Directors and any committees they serve on. These arrangements are governed by the relevant rules and regulations, the bank’s bylaws, and this policy.

1.4 The report that the Board of Directors presents to the bank’s General Assembly at its annual meeting must contain a detailed statement of the compensation received or entitled to be received by each board member during the bank’s fiscal year. This encompasses lump-sum bonuses, attendance allowances, expense allowances, and any other monetary or non-monetary benefits. The report should also outline the payments received by the Board members who are also authorized employees of the bank, as well as any compensation they received for providing technical or administrative services or consultations. Furthermore, it should include a record of the Board meetings attended by each member. The annual report should encompass the Board of Directors’ disclosure of remuneration

policies and the methods used to determine them.

1.5 Board members are not permitted to cast votes on the remuneration clause regarding members of the Board of Directors during the General Assembly.

1.6 If a member of the Board of Directors is absent from three consecutive meetings or five separate meetings without a legitimate excuse, the General Assembly has the authority to terminate their membership. In such cases, the member will not receive any remuneration for the period after their last attended meeting, and they will be required to return any remuneration that was already disbursed to them during that period, if applicable.

1.7 The remuneration for members of the Board of Directors may vary depending on factors such as their experience, expertise, assigned tasks, level of independence, attendance at sessions, and other relevant considerations.

1.8 If it is determined by the Audit Committee, the Authority, or any relevant supervisory or controlling body that the remuneration given to a member of the Board of Directors or one of its committees is based on false or misleading information provided to the General Assembly or included in the annual report, then the individual must return the funds to the bank, and the bank is entitled to request the return of the funds.

1.9 The remuneration for independent members of the board of directors should not be tied to the bank’s profits or its overall financial performance.

⁷According to Circular No. 391000083183 issued by the Central Bank of Saudi Arabia on 1439/28/7 AH, it is clarified that Circular No. 381000063670 dated 1438/14/6 AH, which sets a maximum limit for the remuneration of Board of Directors and committee members (five hundred thousand riyals annually), does not include the remuneration of the Chairman of the Board of Directors.

2. Mechanisms for determining the remuneration of members of the Board and its committees:

2.1. In accordance with the rules previously mentioned, rules and the regulations established by the companies’ system for listed joint-stock companies, the revised corporate governance regulations, and the applicable circulars and principles of the Central Bank of Saudi Arabia, the remuneration for members of the Board and its committees is determined based on the policies, mechanisms, and decisions issued by the Board of Directors.

2.2. Each member of the Board of Directors will receive a lump sum annual remuneration and an attendance allowance in accordance with the specified controls. Additionally, they will be reimbursed for the actual expenses incurred to attend the Board of Directors and its committee meetings, including accommodation and first-class air travel.

2.3. In addition to the lump sum annual remuneration and the amount of attendance allowance in accordance with the controls specified above, each external member of the Board Committees – Not a member of the Board of Directors - will be paid the value of the actual expenses incurred by the member to attend the Committee’s meetings, including accommodation and first-class air travel.

3. The remuneration policy for executive management members and the mechanisms for determining it

3.1. Taking into consideration the applicable general rules and standards previously mentioned in the “Remuneration Policy for Board Members, Committees, and Senior Management” approved by the Bank’s General Assembly. This policy complies with the relevant laws and regulations in general, and with the principles and rules of the Central Bank of Saudi Arabia in particular, the determination of the remunerations of employees in general and the senior management in particular is conducted in accordance with the relevant standards and controls detailed in “Bank Remuneration Rules” issued by the Central Bank of Saudi Arabia, especially the ones related to linking the granting and type of remuneration with risks, including short- and long-term remunerations as per the ratios and time periods specified to them, in addition to the following:

3.1.1 To be consistent with the Bank’s strategy and objectives.

3.1.2 3.1.2 To establish criteria for awarding remuneration, a system for disclosing it, and ensuring its enforcement.

3.1.3 Performance should be the key factor when determining remunerations.

3.1.4 Remuneration should be determined by considering factors such as the job level, assigned tasks and responsibilities, educational qualifications, practical experience, skills, and performance level.

3.1.5 The remuneration should align with the scale, characteristics, and level of risks at the bank.

3.1.6 The allocation of remuneration and incentives tied to performance shall be based on the profit rate associated with the level of risk, and in compliance with the applicable regulations, rules, and principles set forth by the Central Bank of Saudi Arabia regarding remuneration, incentives, principles, and standards.

3.2. The Board of Directors will develop the employee remuneration policy, based on the Nominations Committee’s recommendation. This policy will include mechanisms for determining remuneration, taking into consideration the special standards and controls outlined in the bank remuneration rules set by the Central Bank of Saudi Arabia.

The policy sets out the bank’s approach to implementing, reviewing, and assessing its effectiveness in achieving its objectives.



1- Remunerations of the members of the Board of Directors

Remunerations of the members of the Board of Directors:

	Fixed Remunerations							Variable Remunerations							End of Service Remuneration	Gross Total	Expense allowance
	A certain amount	Allowance for attending Board meetings	Total allowance for attending committee meetings	In-kind Bonuses	Remuneration for technical, administrative, and consulting work	Remuneration of the Chairman of the Board, Managing Director, or Secretary (member only)	Total	Profit Rate %	Periodic Remunerations	Short-term incentive plans	Long-term incentive plans	Granted Shares	Total				
First: Independent Members																	
Adeeb Bin Muhammad Abanmi	320,000	35,000	35,000	-	-	-	390,000	-	300,000	-	-	-	300,000	-	690,000	-	
Ziad Bin Othman Alhogail	320,000	35,000	25,000	-	-	-	380,000	-	110,000	-	-	-	110,000	-	490,000	-	
Nasser Bin Suleiman Alnasser	320,000	35,000	65,000	-	-	-	420,000	-	60,000	-	-	-	60,000	-	480,000	-	
Haitham Bin Muhammad Alfayez	320,000	35,000	65,000	-	-	-	420,000	-	80,000	-	-	-	80,000	-	500,000	-	
Moaz Abdulrahman Alhossiny	320,000	35,000	50,000	-	-	-	405,000	-	95,000	-	-	-	95,000	-	500,000	-	
Total	1,600,000	175,000	240,000	-	-	-	2,015,000	-	645,000	-	-	-	645,000	-	2,660,000	-	

1- Remunerations of the members of the Board of Directors (Continue)

Remunerations of the members of the Board of Directors:

Fixed Remunerations						Variable Remunerations							End of Service Remuneration	Gross Total	Expense allowance
A certain amount	Allowance for attending Board meetings	Total allowance for attending committee meetings	In-kind Bonuses	Remuneration for technical, administrative, and consulting work	Remuneration of the Chairman of the Board, Managing Director, or Secretary (member only)	Total	Profit Rate %	Periodic Remunerations	Short-term incentive plans	Long-term incentive plans	Granted Shares	Total			

Second: Non-Executive Members

Nasser bin Mohammed Al- Subaie	320,000	30,000	65,000	-	-	-	415,000	110,000	-	-	-	110,000	-	-	525,000	-
Khalid bin Abdulrahman Al- Rajhi	320,000	35,000	65,000	-	-	-	420,000	60,000	-	-	-	60,000	-	-	480,000	-
Haitham bin Sulaiman Al- Suhaimi	320,000	35,000	65,000	-	-	-	420,000	60,000	-	-	-	60,000	-	-	480,000	-
Mohammed bin Abdulrahman Al- Rajhi	320,000	35,000	25,000	-	-	-	380,000	60,000	-	-	-	60,000	-	-	440,000	50,199.94
Total	1,280,000	135,000	220,000	-	-	-	1,635,000	290,000	-	-	-	290,000	-	-	1,925,000	-

Third: Executive Members

Abdulaziz bin Mohammed Al- Onaizan	320,000	35,000	65,000	-	-	-	420,000	60,000	-	-	-	60,000	-	-	480,000	-
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2- Remunerations of the Committee members

Committee Members	Fixed Remuneration (Except for attendance allowance)	Allowance for Attending Meetings	Total
Members of the Nominations and Remunerations Committee:			
Khalid Bin Saleh Alhathal	110,000	30,000	140,000
Sameer Bin Omar Baissa	110,000	40,000	150,000
Total	220,00	70,000	290,000
Members of the Nominations and Remunerations Committee:			
Mohammed Bin Farhan Bin Nader	150,000	35,000	185,000
Abdulaziz bin Abdullah Al-Aql	150,000	35,000	185,000
Total	300,000	70,000	370,000
Members of the Risk Committee:			
Faisal Bin Taleb Bin Humaid	110,000	25,000	135,000
Total	110,000	25,000	135,000
Members of the Compliance and Governance Committee:			
Sameer Bin Omar Baissa	110,000	25,000	135,000
Total	110,000	25,000	135,000
Members of the Sharia Committee:			
Sheikh Prof. Abdullah bin Musa Al-Ammar	350,000	110,000	460,000
Sheikh Prof. Mohammed bin Saud Al-Osaimi	300,000	110,000	410,000
Sheikh Prof. Yousef bin Abdullah Al-Shubaily	300,000	110,000	410,000
Total	950,000	330,000	1,280,000

3- Details of remunerations, salaries, allowances, and other compensation paid to senior executives

Statement	Five senior executives including the CEO and CFO (Thousands of Saudi riyals)
Salaries and compensation	15,186
Periodic and annual allowances and remunerations	32,433
Total	47,620

Mechanisms and means for evaluating the performance of the Board of Directors, its committees, and their respective members:

The Board of Directors assesses its own performance and the performance of its committees and members through a comprehensive mechanism. This includes the Nominations and Remuneration Committee, which conducts an annual evaluation of the Board and its committees. The Committee, along with an affiliated work team, has developed specific models and evaluation mechanisms for this purpose. Additionally, an external party evaluates the Board and its committees every three years. The Committee oversees, studies, and discusses the evaluation results, identifying strengths and recommending ways to enhance them, as well as addressing weaknesses and recommending improvement strategies. A summary of the results, along with the Committee's recommendations, is then presented to the Board of Directors. In 2023, the Board of Directors and its committees underwent evaluation by a specialized company, following the aforementioned mechanism.

Internal Audit

The internal audit department operates independently and provides an objective assessment of the bank's operations. It reports directly to the audit committee, which is formed by the bank's general assembly. Its goal is to provide the audit committee and senior management of the bank with reliable assurances regarding the sufficiency and efficiency of the internal control system, by using a structured and methodical approach to assess and enhance the effectiveness of governance, control, and risk management procedures. The Internal Audit department utilizes a risk-based audit methodology when planning and implementing audit work. The department diligently addresses the necessary corrections outlined in the reports of internal audit, external auditors, and regulatory and supervisory bodies. These corrections are promptly implemented according to the established timetable and specific procedures, ensuring the utmost integrity of internal audit controls. The Internal Audit department implements a comprehensive quality assurance program that encompasses all internal audit activities. This program aims to enhance performance, ensure compliance with internal audit standards, and promote the adoption of best practices.

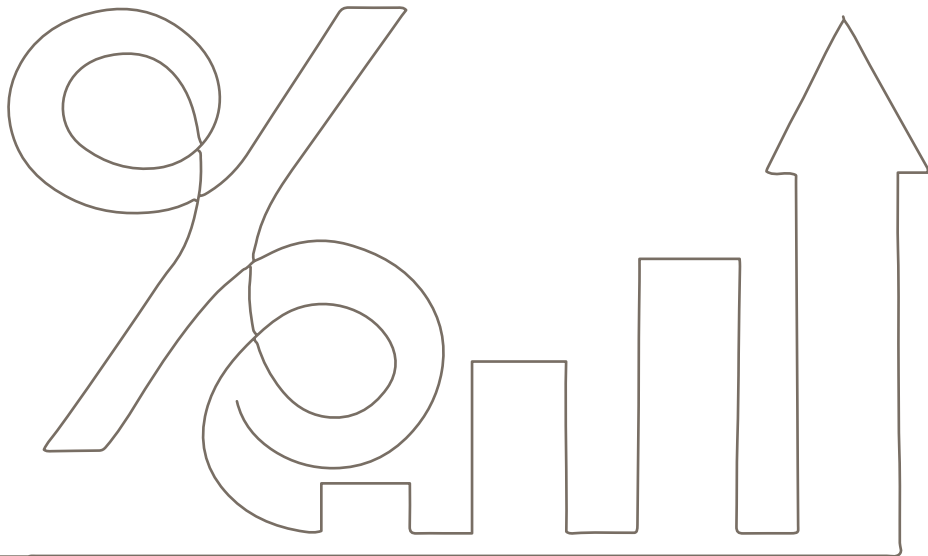
The internal audit department is responsible for overseeing all of the bank's activities and departments. In 2023, the department carried out its internal audit work in line with the plan approved by the Audit Committee. This plan was developed after a detailed study and comprehensive risk assessment of the units to be audited at the bank level. Additionally, the Internal Audit Department successfully fulfilled various tasks assigned to it by the bank management or the Central Bank of Saudi Arabia.

Internal Control System

The bank’s executive management is tasked with developing a viable and effective internal control system. This system encompasses policies and procedures that are prepared under the guidance of the Board of Directors, all aimed at achieving the bank’s strategic goals. Accordingly, an integrated internal control system was developed as per the recommendations of regulatory and supervisory bodies. This system starts with the general governance framework of the bank, which outlines the roles and responsibilities of the Board of Directors, its committees, and the executive management committees. The aim is to ensure effective oversight at the bank level.

In addition, to the bank’s regulatory authorities, such as the Compliance and Combating Financial Crimes Department, the Risk Management Group, and the Sharia Department, the internal audit functions as an independent line of defence separate from executive management. Its primary objective is to evaluate the effectiveness of the internal control system, and ensure compliance with approved policies and procedures. Audit reports that identify areas of improvement in the internal control system, along with the corresponding corrective actions, are submitted to both the CEO and the Audit Committee. The committee monitors the progress made in the correction processes and ensures that the internal control system is sufficient and effective in mitigating risks and safeguarding the bank’s interests.

After thoroughly evaluating the internal control system throughout 2023 AD, the Board of Directors is confident in its effective design and implementation. They have determined that there are no control gaps or significant weaknesses in the bank’s operations for the year. This statement is based on the Board of Directors’ confidence in the design and implementation of the internal control system. The bank’s management is confident in the effectiveness of the internal control system currently in place, which is regularly monitored. It is always striving to enhance the internal control system, acknowledging that even the most well-designed and effective system cannot guarantee absolute assurance.



Dividend Policy

The bank follows the rules of the Banking Control Law, the Companies Law, and the regulations of the Central Bank of Saudi Arabia when distributing its net annual profits. After deducting general expenses, other costs, and establishing necessary reserves for doubtful debts, investment losses, and contingent liabilities as determined by the Board of Directors, as detailed below:

1. The bank calculates the necessary amounts to pay the zakat imposed on shareholders and promptly submits these payments to the competent authorities.
2. At least twenty-five percent (%25) of the residual net profits, after deducting Zakat, will be allocated to the statutory reserve until the reserve reaches a value that is at least equal to the paid-up capital.
3. A minimum of %5 of the paid-up capital will be set aside from the remaining profits, after deducting the statutory reserve and zakat, for distribution to shareholders. The distribution will be based on the proposal made by the Board of Directors and approved by the General Assembly. If the remaining portion of profits allocated to shareholders is inadequate to cover this portion, shareholders are not entitled to request its payment in the subsequent year or years, and the General Assembly is prohibited from approving the distribution of a surplus percentage of profits beyond the amount proposed by the Board of Directors.
4. The remaining amount is utilized after the allocation of the sums specified in paragraphs (1,2,3) as suggested by the Board of Directors and approved by the General Assembly.

Primary Shareholders

The primary shareholders of the bank are those who possess a minimum of %5 ownership of the bank’s shares at the end of December 2023 ,31. The ownership distribution is as follows:

Shareholder Name		Percentage (%)
1	Mohammed Ibrahim Al Subaie & Sons Company	19.34
2	Abdullah Ibrahim Al Subaie Investment Company	6.36
3	Khalid Abdulrahman Saleh Al Rajhi	8.87
4	Abdulrahman Abdulaziz Saleh Alrajhi	6.68

2023 General Assemblies held during the year

The bank organized an extraordinary general assembly for its shareholders in the fiscal year 2023. This assembly marked the thirteenth extraordinary assembly on Shawwal 1444 ,11 AH, corresponding to May 2023 ,1.

- a. [Attendance log for the Board of Directors members and committee chairs at the Extraordinary General Assembly meeting in 2023.](#)

The assembly’s meeting was conducted using modern technologies, and the Board of Directors’ members were in attendance as follows:

Name		Attendance Record
1	Mr. Nasser bin Mohammed Al-Subaie (Chairman)	√
2	Mr. Adeeb Mohammed Abanmi (Vice Chairman)	√
3	Dr. Ziad Othman Alhogail	√
4	Mr. Abdulaziz Mohammed Al-Onaizan	√
5	Mr. Khalid bin Abdulrahman bin Saleh Al-Rajhi	√
6	Mr. Nasser bin Sulaiman Al-Nasser	√
7	Mr. Mohammed Abdulrahman Abdulaziz Al-Rajhi	√
8	Mr. Haitham Mohammed Al-Fayez	√
9	Mr. Moaz Abdulrahman Al-Husseini	√
10	Mr. Haitham Sulaiman Al-Suhaimi	√

b. Following a vote on the General Assembly’s clauses, the following outcomes were obtained:

1. The Board of Directors’ report for the fiscal year ending on 2022/31/12 was reviewed and discussed.

2. After a thorough discussion, the auditors’ report for the fiscal year ending on 2022/31/12 AD has been approved.

3. The financial statements for the fiscal year ending on 2022/31/12 were examined and deliberated upon.

4. The Audit Committee has approved the reappointment of Ernst & Young & Co. (EY) and PricewaterhouseCoopers (PwC) as auditors of the Bank. They will be responsible for examining, reviewing, and auditing the bank’s financial statements for the second and third quarters, as well as the annual financial statements for the fiscal year 2023 and the first quarter of the fiscal year 2024. Their fees have also been approved.

5. The resolution to absolve the members of the Board of Directors from their liabilities for the fiscal year ending on 2022/31/12 was approved.

6. Authorizing the Board of Directors to distribute interim dividends to the bank’s shareholders on a semi-annual or quarterly basis for the fiscal year 2023.

7. Approval of the disbursement of a sum of 3,200,000 Saudi riyals as a remuneration to the members of the Board of Directors. Each member will receive an amount of 320,000 riyals for their services for the fiscal year concluding on December 2022 ,31.

8. The Board of Directors’ recommendation to distribute cash dividends for the financial year 2022 has been approved. Shareholders will receive a dividend of 0.5 riyals per share, which is %5 of the nominal value of the share. To be eligible for the dividend, shareholders must own the shares by the end of the trading day of the General Assembly and be registered in the Bank’s shareholders register with the Securities Depository Centre Company (Deposit Centre) by the end of the second trading day following the maturity date. Dividend distribution will begin on Wednesday May 2023 ,10.
9. Approval of delegating the authority of the Ordinary General Assembly to the Board of Directors with the license contained in Paragraph (1) of Article Twenty-Seven of the Companies Law, for a period of one year from the date of the General Assembly’s approval or until the end of the session of the delegated Board of Directors, whichever is earlier, in accordance with the conditions contained in the Executive Regulations of the Companies Law for listed joint stock companies.

10. Approval to delegate the authority of the Ordinary General Assembly to the Board of Directors in accordance with Paragraph (2) of Article Twenty-Seven of the Companies Law, for a period of one year from the date of the General Assembly’s approval or until the end of the session of the delegated Board of Directors, whichever is earlier, in accordance with the conditions contained in the Executive Regulations of the Companies Law for listed joint stock companies.

11. Approving for the employee shares program and empowering the Board of Directors to establish the program’s terms, including the price at which each share will be allocated to employees, if applicable.

12. Authorizing the bank to acquire a specified number of its own shares, not exceeding 5,000,000 shares, and holding them as treasury shares, for the purpose of allocating them within the employee shares program. The purchase will be funded internally by the bank, with the Board of Directors being granted the authority to finalize the acquisition within a maximum of twelve months from the date of the extraordinary general assembly’s decision. The bank will hold onto the purchased shares for up to 10 years from the date of the extraordinary general assembly’s approval. Once the specified period has ended, the bank will adhere to the procedures and controls outlined in the applicable rules and regulations.

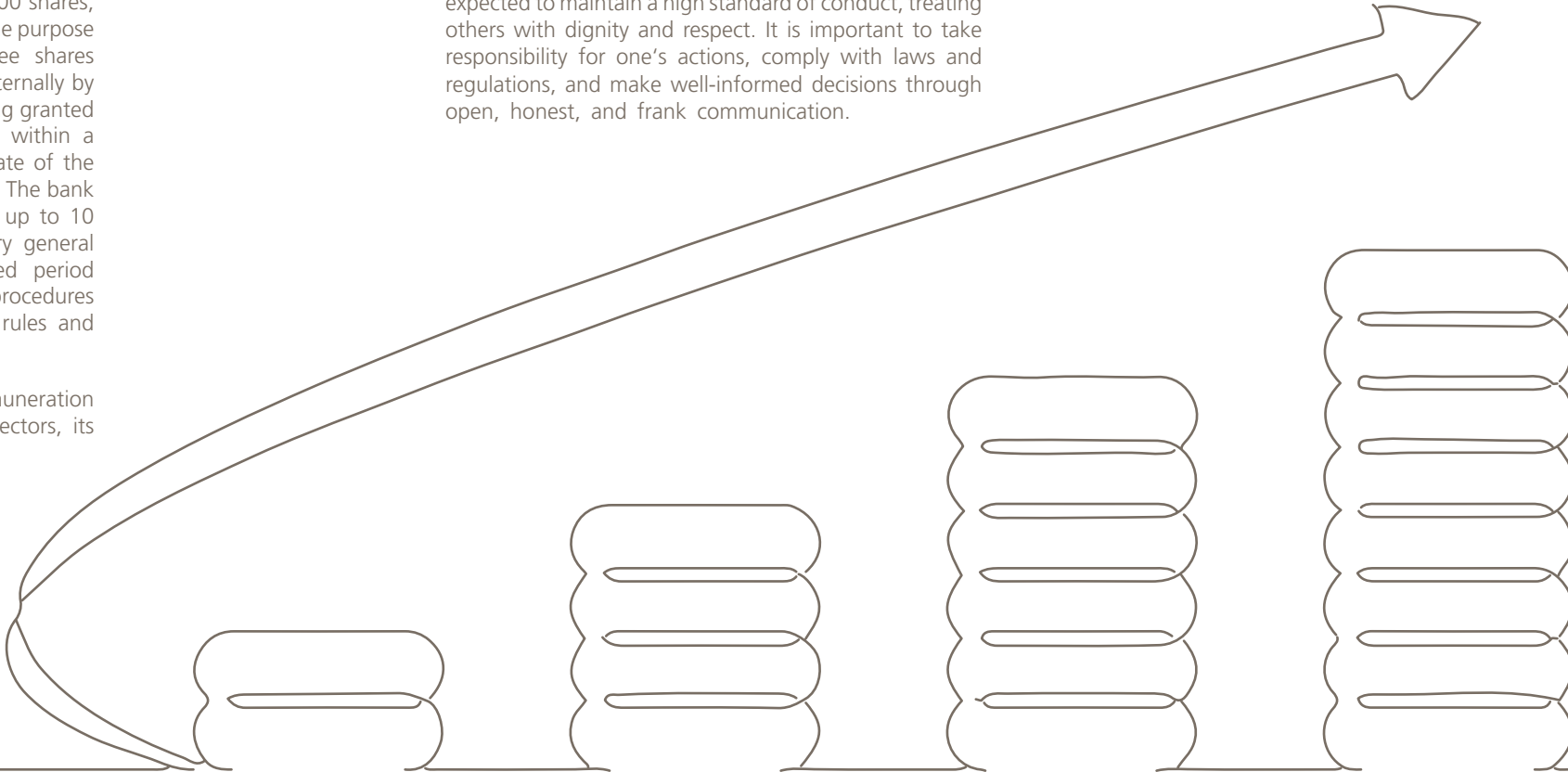
13. Approval of the amendment to the remuneration policy for members of the Board of Directors, its committees, and senior executives.

Principles and Code of Professional and Ethical Conduct

The principles and code of professional and ethical conduct and related principles are fundamental to Bank Al Bilad Group’s business ethics and conduct. Their application is instrumental in driving the bank’s strategic goals, safeguarding its interests, and ensuring the satisfaction of all stakeholders, including investors, customers, and dealers. Additionally, it plays a vital part in fostering business growth, enhancing the bank’s reputation, and strengthening its brand. The bank has established a strong reputation by diligently adhering to its banking principles and values, which are rooted in Islamic Sharia and comply with the regulations set forth by regulatory bodies like the Central Bank of Saudi Arabia and the Capital Market Authority. The bank’s reputation has been further solidified by the loyalty, commitment, and dedication of its employees to provide customers with the utmost level of professional and ethical banking service. Trust, responsibility, honesty, and respect are fundamental elements that form the foundation of the Bank’s reputation. They are also key in delivering value to the customers and fulfilling the bank’s obligations to all stakeholders in a view to preserve the values and principles. This requires all employees, regardless of their position, to conduct themselves in a manner that upholds the bank’s values and principles. This commitment ensures the preservation of the bank’s reputation and protects it from any potential harm or risks arising from any improper conduct, both within and outside the bank, whether in or outside the Kingdom. Every employee is expected to maintain a high standard of conduct, treating others with dignity and respect. It is important to take responsibility for one’s actions, comply with laws and regulations, and make well-informed decisions through open, honest, and frank communication.

Compliance and Combating Financial Crimes

Bank Albilad places great importance on complying with regulations, standards, and instructions set by regulatory and supervisory bodies. This commitment is crucial for the bank’s success and is a top priority. By doing so, the bank safeguards its reputation, credibility, and the interests of its shareholders and depositors. It also helps protect the bank from potential regulatory and legal consequences.



The Role of the Compliance and Combatting Financial Crime Department

Compliance is an independent function that is charged with identifying, evaluating, providing advice and counsel, and following up and preparing reports on the risks of the bank’s non-compliance with regulations and instructions. The objective is to shield the bank and its representatives from potential regulatory or administrative penalties, as well as any actions that could damage the bank’s reputation due to its failure to follow rules, regulations, controls, or good organizational and behavioural standards and professional practices.

The Compliance and Combatting Financial Crimes Department at the Bank plays a key role in ensuring that all of the Bank’s policies, manuals, and procedures are in line with the regulations and instructions set by regulatory and supervisory bodies. They also ensure that these guidelines are effectively implemented by the Bank. **The department is responsible for a variety of tasks and responsibilities that are categorized into specific functions, such as:**

- Combating money laundering and terrorist financing, preventing its spread, and combating commercial concealment.
- Providing advice and support - in this regard - to all administrative units.
- Combating corruption and reporting violations.
- Identifying, analysing, and evaluating non-compliance risks related to the bank’s clients, services, products, geographical areas of operation and delivery channels, and establishing appropriate controls and standards.
- Strengthening relations with regulatory and supervisory bodies.
- Training and awareness.
- Submitting reports on non-compliance problems and providing recommendations on procedures for dealing with these problems.

Monitoring and assessing the effectiveness of implementing regulations and instructions

The Compliance and Combatting Financial Crimes Department is responsible for assessing and supervising the bank’s compliance with rules, regulations, and instructions established by regulatory and legislative authorities. This involves ensuring that the bank adheres to its own policies, guidelines, processes, products, and services.

HR Policies

The bank’s commitment to adhering to regulations, laws, and policies is crucial for its success, reputation, and credibility. It was essential for all the bank’s ambassadors to understand and follow all necessary regulations, instructions, and policies related to their work and assigned tasks, without any transgressions or negligence.

Business Continuity

The bank is dedicated to thoroughly reviewing, updating, and developing the concept of business continuity to assess the bank’s readiness in the unfortunate event of crises, God forbid. In 2023, the bank successfully obtained the ISO 22301 standard certificate.

This is an international standard that focuses on identifying and implementing the most effective practices for business continuity management. This standard is designed to assist organizations in identifying and assessing the risks related to halting operations or being exposed to crises and disasters. Acquiring the certificate and adopting the international standard for business continuity management demonstrates the bank’s readiness to maintain uninterrupted business operations and services, regardless of any crises or challenges that may arise.

The bank conducted a comprehensive crisis management test, assuming a cyber-attack. All systems were smoothly transferred to the backup data centre, and employees were relocated to the business continuity centre for a period of seven days. All tests were successfully completed, praise be to God.

The bank makes sure that all employees of the bank and its subsidiaries receive business continuity training every quarter. In addition, the bank raises awareness by sending a monthly internal email to all employees. As employees become more aware of business continuity, they are better able to apply business continuity plans and procedures with greater flexibility.

Current and Future Risks

Exposure to risks is related to the nature of the bank’s business; however, the bank monitors and manages these risks through the risk management group responsible for managing credit risks, market risks, operations risks, information security, and supervising the follow-up and collection of distressed debts. The bank strictly adheres to the requirements of the Saudi Central Bank and the Basel Committee. The risks are thoroughly detailed in the notes accompanying the consolidated financial statements from page 31 to 36, serving as a supplement to the Board of Directors’ report. Here are the most important ones: In 2023, the Risk Management Group remained dedicated to enhancing the effectiveness of the risk management system and implementing the best practices and systems. Their goal was to ensure that the bank’s banking activities achieve the right balance between return and expected risks.

The risk management group’s framework is built upon three key pillars: solid risk management principles, a well-defined organizational structure, and effective risk measurement and control processes. These pillars work together to maintain an acceptable level of risk in line with the bank’s activities. The risk management group operates autonomously and is independent of the bank’s business groups and departments, as per the directives of the Central Bank of Saudi Arabia.

The bank has put in place strong frameworks to identify, measure, monitor, and effectively manage risks. The banking risk management process encompasses various types of risks that banks face, including credit risks, market risks, liquidity risks, operational risks, information security risks, and cybersecurity. The bank regularly evaluates risk management policies and systems to stay current with market and product changes, aiming to achieve the highest standards of international banking practices. Following is a summary of the most significant risks:

Credit Risks

Credit risks are a significant concern for the bank due to its involvement in financing and investment activities. In compliance with authorized credit rules and procedures, credit risk work is organized into several divisions that function as a single system.

Assessing credit risk:

The bank carefully assesses the level of credit risk in order to obtain a comprehensive understanding of the potential risks associated with granting credit facilities. The bank utilizes a sophisticated assessment system to internally evaluate the credit risk level for various types of clients, including corporate clients, small and medium enterprises (SMEs), retail clients, and financial institutions. This system helps measure the likelihood of default, the potential default amounts, and the resulting losses. The bank is constantly striving to enhance its internal risk assessment methods for customers and regularly reviews them. The bank also has a system in place to evaluate the level of risk associated with retail customers who are granted approval for financing through accredited programs.

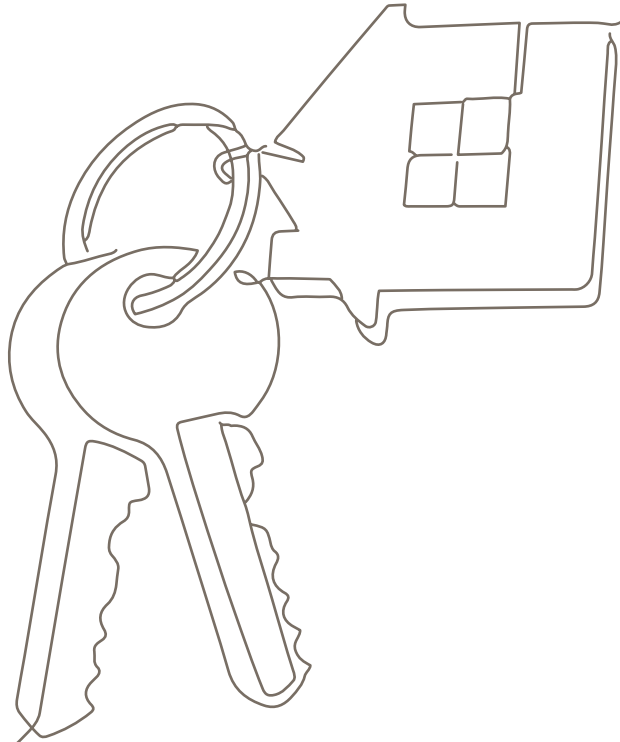
Credit risk mitigators and controls:

The bank employs various strategies to mitigate credit risks and maintain them within acceptable levels. One important approach involves conducting thorough analytical studies on future data and cash flows. These studies help determine the likelihood of customers being able to fulfil their financing obligations. Credit approval goes through multiple levels of approvals and credit committees consisting of executive members of the bank or board of directors. The level of approval is determined based on the credit risk, potential loss, and size of credit facilities for each client, as per the authorized credit authority matrix. Furthermore, the bank requires appropriate guarantees for the credit facilities when necessary. These guarantees can take various forms, such as cash cover, mortgages on investments and assets, or mortgages on commercial and residential real estate. Additionally, in certain cases, project returns may be waived as a form of support for financing specific projects. Moreover, the bank may also require financial, personal, or third-party guarantees in exchange for the facilities. Financing for the Kafalah Program, which supports small and medium enterprises, is provided as long as the program's conditions and standards are met. Retail customers can access financing through approved programs that have specific credit standards. The bank also emphasizes the importance of avoiding credit concentration in the credit portfolio and maintaining a consistent credit exposure size. This involves monitoring exposure to specific entities or sectors and implementing internal limits to manage credit concentrations in the financing portfolio.

Monitoring and reports:

The bank conducts an annual credit review to thoroughly assess the financial and credit status of all customers who obtain commercial financing through corporate and retail banking. This helps ensure the ongoing viability of the customer's business, understand their financing requirements, and maintain a healthy credit relationship. Additionally, the bank carries out review work that includes reports of repeated visits to customers throughout the year. The bank regularly assesses and tracks early warning indicators for its customers to ensure the stability of their credit standing.

Corporate clients with high credit risk rates are carefully evaluated and categorized as clients who require special monitoring. Their credit exposure is closely monitored and regularly reviewed to effectively mitigate this risk on a semi-annual basis. The bank closely monitors the portfolio of retail clients who have credit facilities for consumer purposes, credit cards, or real estate financing. This involves evaluating the standards set for this portfolio for each segment separately. The bank also implements insurance measures to protect the retail financing portfolio in case of unfortunate events, such as the death of the customer.



Real Estate Finance Risk

The Bank's total outstanding residential real estate finance portfolio as of 31 December 2023 was SAR 37,959,432 (in thousands). The Bank has developed adequate policies and procedures to ensure that the appropriate insurance coverage is in place to hedge against potential financial losses associated with residential real estate portfolio. However, risk elements which are not part of the insurance coverage are dealt with according to the Bank's internal risk management framework.

Following are the different types of insurance covers that the Bank has utilized to hedge various risks associated with its residential real estate finance portfolio.

(i) Life Insurance:

The life insurance provides financial protection in the event of death resulting from natural or accidental events or specified cause as per the real estate financing regulations issued by The Saudi Central Bank.

(ii) Disability Insurance:

The disability insurance provides financial protection to recover the outstanding financing amount in the event that the customer becomes fully and permanently disabled and is unable to work or engage in an income earning activity.

(iii) Property Insurance:

Property insurance provides coverage for physical damage or loss to the property caused by events such as fire, flood, or natural disasters etc. This is aimed to mitigate the financial impact of property damage, allowing the Bank to recover the costs due to unexpected / unforeseen events.

The bank follows internationally recognized financial standards to determine credit allocations in its financial records and statements. These allocations are made when there are indications of potential losses and may impact the expected cash flows from these assets or investments. The bank carefully evaluates the inputs and assumptions utilized to calculate projected credit losses. This includes making necessary adjustments to the macroeconomic factors and inputs employed in the credit loss model, such as default rates, to account for any economic fluctuations that may arise.

In addition, the bank compiles a comprehensive monthly report that provides an in-depth analysis of the bank's portfolio. This report includes an evaluation of credit concentrations and compares them to the approved ratios. It is then reviewed and supervised by the bank's senior management.

Market Risks:

Market risks pose a significant threat to the bank's activities, as they can result in unfavourable outcomes and potential losses. Fluctuations in prices, profit margin rates, and currencies are key factors contributing to these risks. Furthermore, any abrupt and significant fluctuations in these prices could have an impact on the bank's liquidity and its ability to secure financing. **The bank is exposed to various types of market risks, including:**

Profit Rate Risk:

Profit rate risk refers to the potential impact on a bank's profitability due to fluctuations in market interest rates. Price fluctuations can be attributed to various factors, such as market dynamics and economic conditions, or specific adjustments made in response to client financing needs.

Foreign currency risk:

This risk arises from the volatility of currency exchange rates affecting the bank's currency positions.

The bank's market risk management typically focuses on efficiently managing and monitoring market risk exposure to maximize returns while adhering to approved policies and acceptable risk levels. The bank's market risk exposure is categorized into various sources:

Trading portfolios:

Market risks can arise in the foreign currency trading portfolio when meeting the foreign currency requirements of the bank and its clients.

Portfolios for non-trading purposes:

The exposure to market risks in portfolios for non-trading purposes is mainly caused by the mismatch between the assets and liabilities' maturity dates, as well as the impact of price changes when reinvestment operations are implemented.

Liquidity risk

This risk, which includes the possibility that the bank may not be able to meet financing needs at a reasonable cost (known as liquidity financing risks) or may not be able to liquidate its investments quickly enough to keep the right price (known as market liquidity risk), is regarded as one of the most significant threats to the banking industry as a whole or to a specific bank in particular.

Governance of market risks and liquidity risks

The effective management of corporate and market risks involves establishing and enforcing policies and limits that are approved by the Board of Directors. The Assets and Liabilities Committee has the important role of strategically managing market and liquidity risks, in line with its assigned tasks and responsibilities. Limits are established for credit portfolios, products, and risk types, taking into account the volume of liquidity available in the market and the associated credit risks.

The Market Risk Department functions as an independent supervisory division with the important responsibility of effectively implementing market risk policies. It is tasked with developing strategies to manage market and investment risks within the bank, as well as creating measurement mechanisms and behavioural models to monitor liquidity. The department promptly reports any violations of established limits to senior management, in accordance with approved mechanisms and procedures set by the Board of Directors. Additionally, it reports market risk exposure and instances of exceeding limits to the Assets and Liabilities Committee and the Board of Directors.

The bank focused on diversifying funding sources to minimize liquidity risks and maintain a healthy level of liquid assets. It implemented various policies and standards to effectively manage liquidity risks and developed an emergency plan in accordance with the best practices recommended by the Basel Committee for liquidity risk management. The review of policies and procedures for managing liquidity risk is conducted periodically and requires approval from the Assets and Liabilities Committee and the Board of Directors.

Measuring and monitoring market risks is essential for maintaining a balanced exposure to market risks, especially in the face of unforeseen events. Conducting stress tests is an important part of this measurement. By regularly obtaining the results of stress tests, the bank can assess how changes in profit rates, foreign exchange rates, and other risk factors affect the bank's profitability, capital adequacy, and liquidity rates. The stress test results are regularly shared with the executive management and the Board of Directors to assess the potential financial impact in case of unforeseen events.

In 2023, the Risk Management Group achieved substantial advancements in improving and fine-tuning the technical systems for measuring liquidity and market risks, managing assets and liabilities, and conduct related studies, reports, and stress tests. These efforts are part of an ongoing initiative to improve the measurement systems for liquidity and market risks.

Operations risk:

Operations risks refer to the potential losses that can occur due to deficiencies or failures in internal processes, individuals, technical systems, or external events. This definition covers legal risks while excluding strategic and reputational risks. Operations risks are inherent in all products, activities, operations, and the bank's technical systems. These risks arise from internal factors and are separate from credit risks and market risks, which are influenced by external factors. Considering this, the bank has implemented a strategy that emphasizes the active involvement of executive management in handling this kind of risk. This is due to the significant influence it has on the bank's various operations. The bank consistently strives to minimize the impact of operational risks in order to accomplish its strategic goals by:

- Thoroughly analyzing and evaluating goals and activities to minimize exposure to operations risks.
- Assessing potential operational risks in current and new products and services, as well as information technology activities, processes, and systems. Utilizing operational risk management tools to identify any gaps that could result in operational losses. Developing corrective measures to prevent these losses from happening in the future. Evaluating the risks associated with the bank's different activities and implementing measures to mitigate these risks. Collecting data on key risk indicators to proactively monitor the level of exposure to operations risks as an early warning system.
- The bank's management takes a proactive approach to addressing operational risks.
- Conducting regular and comprehensive assessments of the bank's policies, procedures, and performance.
- Ensuring complete compliance to instructions from regulatory authorities and international standards when managing operations risks.
- Providing regular reports to the executive management and the Board of Directors regarding the assessment of operations risks and losses faced by the bank, along with the necessary corrective actions.

Information security risks

The bank's information security department is committed to minimizing the risks associated with information networks and security. As technology continues to advance, the department works diligently to ensure the highest standards of information security are upheld, including availability, integrity, and confidentiality. This is crucial in supporting the growth of the bank's technical services and safeguarding against cyber threats. The bank is always assessing cyber risks in order to guarantee the security of the technology or services it uses to give its customers the services they require. Here are the key points covered in this information security risk assessment:

- Assessment of services, technical projects, and new initiatives implemented by the bank to enhance its electronic services.
- Regularly assess the response to cybersecurity incidents to ensure the procedure's effectiveness
- Assessing the security level of technical services through rigorous security vulnerability assessments and breach tests on highly sensitive systems.
- Regular risk assessment focused on the business and IT departments to identify any potential security risks in the procedures or controls of security systems.
- Supervising the compliance process with regulatory guidelines and laws, and ensuring the enforcement of cybersecurity controls.

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.

Bank Subsidiaries

The bank owns three subsidiaries, as detailed below:

Company Name	Date of Establishment	Main activity	Capital	Main area of operations	Area of Establishment	Percentage of ownership
Albilad Investment Company (Albilad Financial)	November 20,2007	Carrying out investment services and asset management activities represented in dealing, arranging, managing, providing advice and custody of securities	200 million SAR	Riyadh, Saudi Arabia	Saudi Arabia	100%
Albilad Real Estate Company	September 17,2006	Carry out registration procedures related to real estate guarantees obtained by the bank from its customers	500 thousand SAR	Riyadh, Saudi Arabia	Saudi Arabia	100%
Enjaz Payment Services Company*	October 8,2022	Payments & Remittances Services	200 million SAR	Riyadh, Saudi Arabia	Saudi Arabia	99%

* Enjaz Payment Services Company was founded as a closed joint stock company with majority ownership by Bank Al Bilad. The bank owns 99% of the company’s shares, equivalent to 19.8 million (nineteen million eight hundred thousand) shares, which are valued at 198 (one hundred and ninety-eight) million Saudi riyals. The remaining 1% of shares, equivalent to 200 (two hundred) shares, worth 2 (two) million Saudi riyals, is owned by the Financial Solutions Investment Company, a subsidiary of Al Bilad Real Estate Company, which is entirely owned by the bank.

Strategic investments:

Company Name	Establishment date	Main activity	Authorized capital
Bayan Credit Information Company	30 November 2015	The Company provides credit information services, valuation services, credit valuation and consultation for companies and businesses.	SAR 100 million
Saudi Financial Lease Registration Company “Sajil»	14 December 2017	Registration of financial lease contracts	Thirty-eight million three hundred and ninety-two thousand eight hundred and fifty Saudi riyals
Saudi Financial Support Services	9 July 1984	Installation and maintenance of banking and cash machinery and equipment, Management and operation of cash centers, Providing payment services for points of sale and secure and smart electronic outlets ATMs, automatic deposits, wholesale of banking and cash machinery devices and equipment, Transportation of cash, precious metals and documents of value	SAR 25 million
Kinan International Real Estate Development Company	13 April 2004	Development and management of residential communities and commercial centers in various cities of the Kingdom	SAR 1.7 billion

Strategic investments (continued):

Company Name	Paid capital	Country of operations	Country of establishment	Ownership (%)
Bayan Credit Information Company	SAR 75 million	Riyadh, Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	18.75 %
Saudi Financial Lease Registration Company “Sajil»	Thirty-eight million three hundred and ninety two thousand eight hundred and fifty Saudi riyals	Riyadh, Saudi Arabia	Saudi Arabia	2.33 %
Saudi Financial Support Services	SAR 25 million	Riyadh, Saudi Arabia	Saudi Arabia	5.00 %
Kinan International Real Estate Development Company	SAR 1.7 billion	Riyadh, Saudi Arabia	Saudi Arabia	6.78 %

Penalties imposed on the bank and its subsidiaries by supervisory authorities:

In 2023, the bank and its subsidiaries faced financial penalties due to operational activities, which have since been resolved.

Subject of the violation	Year 2023	
	Number of penal decisions	Total amount of fines in Saudi Riyals
Violation in the distribution of counterfeit currency notes to the Central Bank	5	45,000
Failure to comply with data request instructions	3	135,000
Disregarding the instructions of the Central Bank	7	659,500
Disregarding the instructions of self-supervision units	2	360,000
Disregarding the instructions of Anti-Fraud	2	9,927,000
Disregarding the instructions of SARIEE system	1	1,000
Disregarding the operating instructions	1	780,000
Disregarding the instructions of anti-money laundering and counter-terrorism financing	2	155,000
Total	23	12,062,500

Subject of the violation	Year 2022	
	Number of penal decisions	Total amount of fines in Saudi Riyals
Violation in the distribution of counterfeit currency notes to the Central Bank	4	25,000
Failure to comply with data request instructions	1	32,500
Disregarding the instructions of the Central Bank	3	256,500
Disregarding the instructions of self-supervision units	2	152,500
Disregarding the instructions of Anti-Fraud	4	2,888,560
Disregarding the instructions of SARIEE system	1	10,000
Disregarding the instructions of banking products and services	1	1,510,000
Total	16	4,875,060

The following is a statement of the fines imposed on the bank by other supervisory and regulatory authorities:

Supervisory Authorities	Number of fines	Total amount of fines In Saudi Riyals	Statement of fines
ATM violations for the year 1444 AH	37	229,600	Increase in the percentage of construction on the site above the permissible limit + unavailability of the entry and exit path + lack of recoil + posters
Violations of Enjaz branches for the year 1444 AH	29	58,000	Violation plates (Flag)
Violations of Bank Albilad branches for the year 1444 AH	2	4,000	Violation plates (Flag)
Total	68	291,600	-

The bank is committed to preventing the recurrence of these fines by implementing policies and allocating the required resources as directed by the supervisory and regulatory authorities.

Micro, Small and Medium Enterprises

Qualitative disclosure

In 2023, the Bank was focused on fulfilling its expansion policy in this sector, in line with the Kingdom’s Vision 2030. aiming to meet the banking needs of various governmental and private sectors by offering exceptional financing programs and innovative banking solutions. In 2023, the bank launched 5 new specialized financing programs aimed at supporting micro, small, and medium enterprises in the education, health, industry, and contracting sectors. There was also a strong emphasis on the joint financing provided through the agreement signed in 2022 with the Small & Medium Enterprise Bank to bolster the sector and address the funding shortfall. In addition to discussing strategic partnerships with supervisory and regulatory bodies in the sector, as well as supporting targeted activities within the Kingdom’s Vision 2030 programs, Furthermore, the bank is committed to strengthening its connection with customers by organizing informative workshops led by industry experts in trade finance and electronic services. Additionally, the bank conducts surveys to gather valuable feedback from customers, allowing for continuous improvement of the services provided.

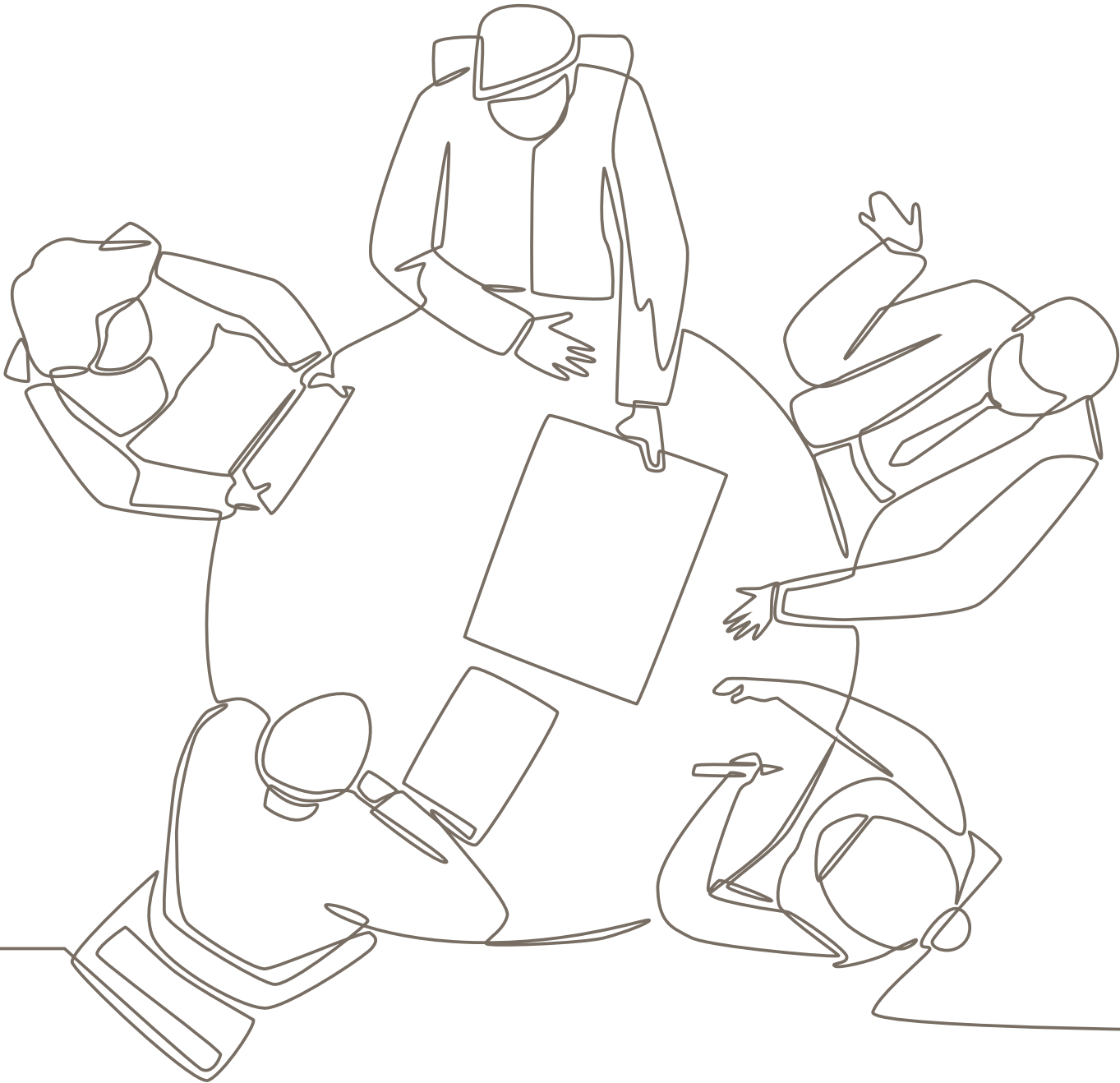
Quantitative disclosure

(SAR million – 2023)

Details	Micro	Small	Medium	Total
Direct facilities for micro, small, and medium enterprises	281	2,240	11,397	13,918
Indirect facilities for micro, small, and medium enterprises (nominal value)	775	892	2,170	3,838
Direct facilities for micro, small, and medium enterprises relative to the total direct facilities	0.5 %	4.4 %	22 %	26.9 %
Indirect facilities for micro, small, and medium enterprises relative to the total indirect facilities	%6	6.3 %	15.4 %	27.7 %
Number of direct and indirect facilities				
Number of customers for direct and indirect facilities	1,099	864	226	2,189
Number of direct and indirect facilities customers in cooperation with Monsha'at Bank	116	96	9	221
Total direct and indirect facilities in cooperation with Monsha'at Bank (amounts represent the bank's share in financing "%20")	6	33	4	44
Number of customers of direct, indirect, and guaranteed facilities through Kafalah program	184	251	71	506
Total direct, indirect, and guaranteed facilities through Kafalah program	65	532	525	1,121

(SAR million – 2022)

Details	Micro	Small	Medium	Total
Direct facilities for micro, small, and medium enterprises	345	1,429	9,696	11,470
Indirect facilities for micro, small, and medium enterprises (nominal value)	899	472	1,473	2,845
Direct facilities for micro, small, and medium enterprises relative to the total direct facilities	0.77 %	3.17 %	21.48	25.41 %
Indirect facilities for micro, small, and medium enterprises relative to the total indirect facilities	8.42 %	4.42	13.80 %	26.65 %
Number of direct and indirect facilities				
Number of customers for direct and indirect facilities	1,041	561	207	1,809
Number of customers of direct, indirect, and guaranteed facilities through Kafalah program	188	274	77	539
Total direct, indirect, and guaranteed facilities through Kafalah program	87	604	617	1,308



Employees’ Share Program

The Bank provides an equity-settled share-based payment plan to eligible employees, which has been approved by the central bank. Under the plan, eligible employees are offered stocks that will be deducted from 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 has entered into an agreement with an independent third-party, with the approval of the central bank, for custody of the shares under the plan, as well as any benefits accrued thereon.

Significant features of this plans are as follows:

Maturity Dates	Between January 2024 to December 2026
Total Number of Shares Granted	1,017,149
Grant Period	3 Years
Method of Settlement	Shares
Fair Value of Share on Grant Date	Average SAR 45.15

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	2023
	SAR '000
Finance*	2,343,953
Finance**	3,804,925
Commitments and contingencies	129,069
Deposits	17,559

*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 Saudi Central Bank.

B) Group’s mutual funds:

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

Details	2023
	SAR '000
Customers deposits	15,818
Investments - units	360,807

C) Income and expense:

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

Details	2023
	SAR '000
Income	308,116
Expenses	14,487

The following is a statement of the total compensation paid to senior management employees during the year:

Details	2023
	Thousands of Saudi riya
Employee Benefits	166,411

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 2023 .

#	Related Party	Member/Person with a direct or indirect interest	Reason	Type/nature of relationship or conflict	Contract amount	Contract Date	
						From	To
1	Mr. Abdulrahman Saleh Al-Rajhi	Mr. Khalid bin Abdulrahman Al-Rajhi	-(Father) Member of the Board of Directors of Bank Albilad		Lease contract for Enjaz 302 Center – Al Khafji Governorate, owned by Mr. Abdulrahman bin Saleh Al Rajhi	150,000 SAR	11-Apr-10 10-Apr-24
2	Mr. Abdulrahman Abdulaziz Al-Rajhi	Mr. Abdulrahman Abdulaziz Al-Rajhi	- Major shareholders of Bank Albilad		Lease Contract for Branch 217 - Yanbu City, owned by Mr. Abdulrahman bin Abdulaziz bin Saleh Al-Rajhi	180,000 SAR	9-Aug-10 8-Aug-25
3	Procure Specialist Care Hospital	Mr. Khalid bin Abdulrahman Al-Rajhi	- Member of the Board of Directors of Bank Albilad		Lease contract for the location of the ATM-Riyadh city	20,000 SAR	1-Jun-20 31-May-25
4	Mr. Abdulrahman Abdulaziz Al-Rajhi	Mr. Abdulrahman Abdulaziz Al-Rajhi	- Major shareholders of Bank Albilad		Lease Contract for Branch 561 - Buraidah City, owned by Mr. Abdulrahman bin Abdulaziz bin Saleh Al-Rajhi	400,000 SAR	1-Jun-05 31-May-25
5	Riyadh Development Company	Mr. Nasser bin Mohammed Al-Subaie	<div>- Chairman of the Board of Directors of Bank Albilad</div> <div>- Kinship (father) with Mr. Majid bin Nasser Al-Subaie, member of the Board of Directors of Riyadh Development Company</div>		Lease Contract for Enjaz Al Haraj Branch 174	96,900 SAR	2-Jul-18 4-Dec-23
6	Mohammed Ibrahim Al Subaie & Sons Company (MASIC)	<div>Mr. Nasser bin Mohammed Al-Subaie</div> <div>Mohammed Ibrahim Al Subaie & Sons Company (MASIC)</div> <div>Mr. Khalid bin Saleh Al-Hathal</div>	<div>- Chairman of the Board of Directors of Bank Albilad</div> <div>- Member of the Board of Directors of MASIC Company</div> <div>- Major shareholders of Bank Albilad</div> <div>-Member of the Board of Directors of MASIC Company</div> <div>Mr. Khalid bin Saleh Al-Hathal</div>		A signed lease contract for an ATM for Bank Albilad owned by Mohammed Ibrahim Al-Subaie & Sons Company (MASIC)	25,000 SAR	1-Dec-19 30-Nov-29
7	MASIC Logistics Company	Mr. Nasser bin Mohammed Al-Subaie	<div>- Chairman of the Board of Directors of Bank Albilad</div> <div>- Member of the Board of Directors of MASIC Company</div>		An ATM location in Riyadh City held a return on investment for MASIC Logistics.	60,000 SAR	18-Mar-18 17-Mar-28

#	Related Party	Member/Person with a direct or indirect interest	Reason	Type/nature of relationship or conflict	Contract amount	Contract Date		
						From	To	
8	Saudi Automotive Services Co. (SASCO)	Mr. Nasser bin Mohammed Al-Subaie	- Chairman of the Board of Directors of Bank Albilad		Lease contract for the location of the ATM - Taif city - owned by SASCO	90,000 SAR	1-Jan-21	31-Dec-25
			- Kinship (father) with Mr. Majid bin Nasser Al-Subaie, member of the Board of Directors of SASCO					
9	Abdullah Ibrahim Al Subaie Real Estate Company	Abdullah Ibrahim Al-Subaie Investment Company (One Person Company)	- Major shareholders of Bank Albilad		Lease contract for a branch of Bank Albilad - Aqrabiya branch 921 owned by Abdullah bin Ibrahim Al-Subaie Real Estate Company	2,590,600 SAR	3-Jan-05	12-Nov-24
10	ALARGAN Homes Company	Mr. Nasser bin Mohammed Al-Subaie	- Chairman of the Board of Directors of Bank Albilad		ATM site contract - Jubail city owned by ALARGAN Homes Company	90,000 SAR	5-Aug-18	4-Aug-25
			-Member of the Board of Directors of Alargan Homes Company					
11	ALARGAN Homes Company	Mr. Nasser bin Mohammed Al-Subaie	- Chairman of the Board of Directors of Bank Albilad		ATM site contract - Yanbu City owned by ALARGAN Homes Company	80,000 SAR	1-Sep-18	31-Aug-25
			-Member of the Board of Directors of Alargan Homes Company					
12	ALARGAN Homes Company	Mr. Nasser bin Mohammed Al-Subaie	- Chairman of the Board of Directors of Bank Albilad		ATM site contract - Yanbu City owned by ALARGAN Homes Company	80,000 SAR	1-Sep-18	31-Aug-25
			-Member of the Board of Directors of Alargan Homes Company					
13	Mohammed Ibrahim Al Subaie & Sons Company (MASIC)	Mr. Nasser bin Mohammed Al-Subaie	- Chairman of the Board of Directors of Bank Albilad		Lease contract for Enjaz Center Khalidiya South Branch - Dammam, owned by Mohammed bin Ibrahim Al-Subaie & Sons Company	174,790 SAR	5-Dec-16	4-Dec-26
			-Member of the Board of Directors of MASIC Company					
		Mohammed Ibrahim Al Subaie & Sons Company (MASIC)	- Major shareholders of Bank Albilad					
		Mr. Khalid bin Saleh Al-Hathal	-Member of the Board of Directors of Albilad Finance					
	-Member of the Board of Directors of MASIC Company							

#	Related Party	Member/Person with a direct or indirect interest	Reason	Type/nature of relationship or conflict	Contract amount	Contract Date		
						From	To	
14	Mohammed Ibrahim Al Subaie & Sons Company (MASIC)	Mr. Nasser bin Mohammed Al-Subaie	-Chairman of the Board of Directors of Bank Albilad		Lease contract for the location of an ATM - Riyadh, owned by Mohammed bin Ibrahim Al-Subaie & Sons Company	100,000 SAR	3-Jul-15	2-Jul-25
			-Member of the Board of Directors of MASIC Company					
		Mohammed Ibrahim Al Subaie & Sons Company (MASIC)	- Major shareholders of Bank Albilad					
		Mr. Khalid bin Saleh Al-Hathal	-Member of the Board of Directors of Albilad Finance					
			-Member of the Board of Directors of MASIC Company					
15	Mohammed Ibrahim Al Subaie & Sons Company (MASIC)	Mr. Nasser bin Mohammed Al-Subaie	- Chairman of the Board of Directors of Bank Albilad		Lease contract for Enjaz Second Industrial Center - Riyadh, owned by Mohammed bin Ibrahim Al-Subaie & Sons Company	472,000 SAR	15-Nov-16	14-Nov-26
			- Member of the Board of Directors of MASIC Company					
		Mohammed Ibrahim Al Subaie & Sons Company (MASIC)	- Major shareholders of Bank Albilad					
		Mr. Khalid bin Saleh Al-Hathal	- Member of the Board of Directors of Albilad Capital					
			-Member of the Board of Directors of MASIC Company					
16	Kinan International Real Estate Development Company	Mr. Abdullah Al-Arifi	- Member of the Board of Directors of Kinan International Company		Lease Contract for Albilad Branch Al Dana Mall 729	133,504 SAR	1-Jan-19	31-Dec-28
			- Representative of Bank Albilad		-First three years 133,504			
			-Senior executives at Bank Albilad		-Second three years 146,020			
			-The last four years 158,536					
17	Riyadh Development Company	Mr. Nasser bin Mohammed Al-Subaie	- Chairman of the Board of Directors of Bank Albilad		Car Auction Agreement	Individual prices	5-Apr-22	4-Apr-24
			- Kinship (father) with Mr. Majid bin Nasser Al-Subaie, member of the Board of Directors of Riyadh Development Company					
18	Riyadh Development Company	Mr. Nasser bin Mohammed Al-Subaie	- Chairman of the Board of Directors of Bank Albilad		Transportation Services	Individual prices	28-Dec-22	27-Dec-24
			- Kinship (father) with Mr. Majid bin Nasser Al-Subaie, member of the Board of Directors of Riyadh Development Company					

#	Related Party	Member/Person with a direct or indirect interest	Reason	Type/nature of relationship or conflict	Contract amount	Contract Date		
						From	To	
19	Saudi Automotive Services Co. (SASCO)	Mr. Nasser bin Mohammed Al-Subaie	Chairman of Bank Albilad		Lease contract for the location of the ATM site - the city of Makkah - owned by SASCO	80,000 SAR	22-Nov-22	21-Aug-27
			Kinship (father) with Mr. Majid bin Nasser Al-Subaie, member of the Board of Directors of SASCO					
20	Saudi Automotive Services Co. (SASCO)	Mr. Nasser bin Mohammed Al-Subaie	Chairman of Bank Albilad		Lease contract for the location of the ATM site - the city of Makkah - owned by SASCO	280,000 SAR	22-Nov-22	21-Aug-27
			Kinship (father) with Mr. Majid bin Nasser Al-Subaie, member of the Board of Directors of SASCO					
21	Saudi Automotive Services Co. (SASCO)	Mr. Nasser bin Mohammed Al-Subaie	Chairman of Bank Albilad		Lease contract for the location of the ATM - Taif city - owned by SASCO	65,000 SAR	1-Jan-21	31-Dec-25
			-Senior executives at Bank Albilad					
22	Saudi Lease Contracts Registration Company	Raed Muhammad Alabdulkarim	-Member of the Board of Directors of the Saudi Lease Finance Contracts Registration Company		Lessors Agreement	375,000 SAR	17-Mar-23	16-Mar-26
			-Senior executives at Bank Albilad					
		Abdullah Saad Salem Al-Ruwais	- Member of the Executive Committee of the Saudi Lease Finance Contracts Registration Company					
			-Senior executives at Bank Albilad					
23	Bayan Credit Bureau	Yousef Bin Muhammad Alkhelaiwi	-Chief Corporate Governance Officer and General Secretary of the Bank		Membership Agreement	Individual prices	25-Sep-21	24-Sep-26
			- Representative of Bank Albilad at Bayan Credit Bureau		Membership Agreement	Individual prices	22-Mar-21	21-Mar-26
		Abdulaziz Mohammed Alonaizan	-Chairman of the Board of Directors Chairman of the Executive Committee of the company					
			-CEO of Bank Albilad					
24	General Authority of Endowments	Nasser Bin Mohammed Alsubaie	- Chairman of the Board of Directors of Bank Albilad	Malaz Administration Building	3,150,000.00	14-Dec-20	13-Dec-25	
			Member of the Board of Directors of the Authority.		3,370,500.00	14-Dec-25	13-Dec-30	
					3,606,435.00	14-Dec-30	14-Dec-35	

#	Related Party	Member/Person with a direct or indirect interest	Reason	Type/nature of relationship or conflict	Contract amount	Contract Date	
						From	To
25	Albilad Real Estate	Saleh Suleiman Alhabeeb	-Chairman of Albilad Real Estate Board		Mohammedia Land Contract - Regional Administration	50,000 SAR	1-Jul-22
			-Senior executives at Bank Albilad				
		Raed Muhammad Alabdulkarim	-Vice Chairman of Albilad Real Estate Board of Directors				
			-Senior executives at Bank Albilad				
26	Albilad Real Estate	Saleh Suleiman Alhabeeb	-Chairman of Albilad Real Estate Board		Contract of the land of the land of Monsiyah	50,000 SAR	1-Sep-22
			-Senior executives at Bank Albilad				
		Raed Muhammad Alabdulkarim	-Vice Chairman of Albilad Real Estate Board of Directors				
			-Senior executives at Bank Albilad				
27	Albilad Real Estate	Saleh Suleiman Alhabeeb	-Chairman of Albilad Real Estate Board		Land of Roses Necklace	50,000 SAR	1-Jan-21
			-Senior executives at Bank Albilad				
		Raed Muhammad Alabdulkarim	-Vice Chairman of Albilad Real Estate Board of Directors				
			-Senior executives at Bank Albilad				
28	Albilad Real Estate	Saleh Suleiman Alhabeeb	-Chairman of Albilad Real Estate Board		Al Rawda Branch Land Contract	50,000 SAR	25-Sep-18
			-Senior executives at Bank Albilad				
		Raed Muhammad Alabdulkarim	-Vice Chairman of Albilad Real Estate Board of Directors				
			-Senior executives at Bank Albilad				
29	Albilad Real Estate	Saleh Suleiman Alhabeeb	-Chairman of Albilad Real Estate Board		Contract Land of Breeze	50,000 SAR	1-Jan-21
			-Senior executives at Bank Albilad				
		Raed Muhammad Alabdulkarim	-Vice Chairman of Albilad Real Estate Board of Directors				
			-Senior executives at Bank Albilad				

#	Related Party	Member/Person with a direct or indirect interest	Reason	Type/nature of relationship or conflict	Contract amount	Contract Date	
						From	To
30	Albilad Real Estate	Saleh Suleiman Alhabeeb	-Chairman of Albilad Real Estate Board		Red Land Contract	50,000 SAR	1-Jan-21
			-Senior executives at Bank Albilad				
		Raed Muhammad Alabdulkarim	-Vice Chairman of Albilad Real Estate Board of Directors				
			-Senior executives at Bank Albilad				31-Dec-53
31	Albilad Real Estate	Saleh Suleiman Alhabeeb	-Chairman of Albilad Real Estate Board		Yellow Land Contract	50,000 SAR	1-Jan-21
			-Senior executives at Bank Albilad				
		Raed Muhammad Alabdulkarim	-Vice Chairman of Albilad Real Estate Board of Directors				
			-Senior executives at Bank Albilad				
32	Albilad Real Estate	Saleh Suleiman Alhabeeb	-Chairman of Albilad Real Estate Board		Safa Land Contract	50,000 SAR	1-Jan-21
			-Senior executives at Bank Albilad				
		Raed Muhammad Alabdulkarim	-Vice Chairman of Albilad Real Estate Board of Directors				
			-Senior executives at Bank Albilad				31-Dec-53
33	Albilad Real Estate	Saleh Suleiman Alhabeeb	-Chairman of Albilad Real Estate Board		Land contract south of Azizia Makkah	50,000 SAR	1-Jan-21
			-Senior executives at Bank Albilad				
		Raed Muhammad Alabdulkarim	-Vice Chairman of Albilad Real Estate Board of Directors				
			-Senior executives at Bank Albilad				
34	Albilad Real Estate	Saleh Suleiman Alhabeeb	-Chairman of Albilad Real Estate Board		Land Payment Contract	50,000 SAR	1-Jan-21
			-Senior executives at Bank Albilad				
		Raed Muhammad Alabdulkarim	-Vice Chairman of Albilad Real Estate Board of Directors				
			-Senior executives at Bank Albilad				31-Dec-53

#	Related Party	Member/Person with a direct or indirect interest	Reason	Type/nature of relationship or conflict	Contract amount	Contract Date		
						From	To	
35	Albilad Real Estate	Saleh Suleiman Alhabeeb	-Chairman of Albilad Real Estate Board		Al Rawda Land Contract	50,000 SAR	1-Jan-21	31-Dec-53
			-Senior executives at Bank Albilad					
		Raed Muhammad Alabdulkarim	-Vice Chairman of Albilad Real Estate Board of Directors					
			-Senior executives at Bank Albilad					
36	Albilad Real Estate	Saleh Suleiman Alhabeeb	-Chairman of Albilad Real Estate Board		Rabwah Land Contract	50,000 SAR	1-Jan-21	31-Dec-53
			-Senior executives at Bank Albilad					
		Raed Muhammad Alabdulkarim	-Vice Chairman of Albilad Real Estate Board of Directors					
			-Senior executives at Bank Albilad					
37	Albilad Real Estate	Saleh Suleiman Alhabeeb	-Chairman of Albilad Real Estate Board		South Dhahran Land Contract	50,000 SAR	1-May-21	30-Apr-54
			-Senior executives at Bank Albilad					
		Raed Muhammad Alabdulkarim	-Vice Chairman of Albilad Real Estate Board of Directors					
			-Senior executives at Bank Albilad					
38	Albilad Real Estate	Saleh Suleiman Alhabeeb	-Chairman of Albilad Real Estate Board		Belt Road Land Contract	50,000 SAR	1-May-21	30-Apr-54
			-Senior executives at Bank Albilad					
		Raed Muhammad Alabdulkarim	-Vice Chairman of Albilad Real Estate Board of Directors					
			-Senior executives at Bank Albilad					
39	Albilad Real Estate	Saleh Suleiman Alhabeeb	-Chairman of Albilad Real Estate Board		Dammam Corniche land contract	50,000 SAR	1-Jan-21	31-Dec-53
			-Senior executives at Bank Albilad					
		Raed Muhammad Alabdulkarim	-Vice Chairman of Albilad Real Estate Board of Directors					
			-Senior executives at Bank Albilad					

#	Related Party	Member/Person with a direct or indirect interest	Reason	Type/nature of relationship or conflict	Contract amount	Contract Date		
						From	To	
40	Albilad Real Estate	Saleh Suleiman Alhabeeb	-Chairman of Albilad Real Estate Board		Khalidiya Land Contract	50,000 SAR	1-Jan-21	31-Dec-53
			-Senior executives at Bank Albilad					
		Raed Muhammad Alabdulkarim	-Vice Chairman of Albilad Real Estate Board of Directors					
			-Senior executives at Bank Albilad					
41	Albilad Real Estate	Saleh Suleiman Alhabeeb	-Chairman of Albilad Real Estate Board		Mirqab Land Contract	50,000 SAR	1-Jan-21	31-Dec-53
			-Senior executives at Bank Albilad					
		Raed Muhammad Alabdulkarim	-Vice Chairman of Albilad Real Estate Board of Directors					
			-Senior executives at Bank Albilad					
42	Albilad Real Estate	Saleh Suleiman Alhabeeb	-Chairman of Albilad Real Estate Board		Al Faisaliah Land Contract	50,000 SAR	1-Jan-21	31-Dec-53
			-Senior executives at Bank Albilad					
		Raed Muhammad Alabdulkarim	-Vice Chairman of Albilad Real Estate Board of Directors					
			-Senior executives at Bank Albilad					
43	Albilad Real Estate	Saleh Suleiman Alhabeeb	-Chairman of Albilad Real Estate Board		Desalination Land Contract	50,000 SAR	1-Jan-21	31-Dec-53
			-Senior executives at Bank Albilad					
		Raed Muhammad Alabdulkarim	-Vice Chairman of Albilad Real Estate Board of Directors					
			-Senior executives at Bank Albilad					
44	Albilad Real Estate	Saleh Suleiman Alhabeeb	-Chairman of Albilad Real Estate Board		Hittin Land Contract	50,000 SAR	25-Dec-22	24-Dec-55
			-Senior executives at Bank Albilad					
		Raed Muhammad Alabdulkarim	-Vice Chairman of Albilad Real Estate Board of Directors					
			-Senior executives at Bank Albilad					

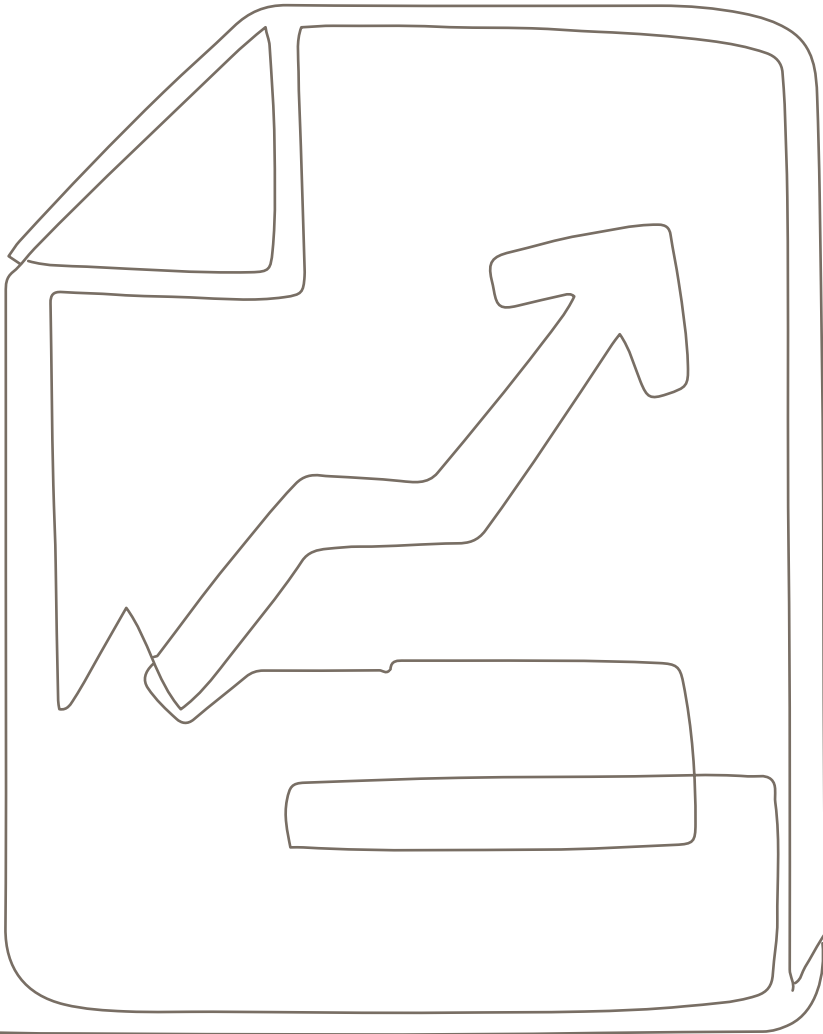
#	Related Party	Member/Person with a direct or indirect interest	Reason	Type/nature of relationship or conflict	Contract amount	Contract Date	
						From	To
45	Albilad Real Estate	Saleh Suleiman Alhabeeb	-Chairman of Albilad Real Estate Board	Al , Hada Land Contract Khobar	50,000 SAR	22-Jan-23	21-Jan-56
			-Senior executives at Bank Albilad				
		Raed Muhammad Alabdulkarim	-Vice Chairman of Albilad Real Estate Board of Directors				
			-Senior executives at Bank Albilad				
46	Albilad Real Estate	Saleh Suleiman Alhabeeb	-Chairman of Albilad Real Estate Board	Land Contract by Specialist	50,000 SAR	22-Jan-23	21-Jan-56
			-Senior executives at Bank Albilad				
		Raed Muhammad Alabdulkarim	-Vice Chairman of Albilad Real Estate Board of Directors				
			-Senior executives at Bank Albilad				
47	Albilad Real Estate	Saleh Suleiman Alhabeeb	-Chairman of Albilad Real Estate Board	Unaizah land contract	50,000 SAR	22-Jan-23	21-Jan-56
			-Senior executives at Bank Albilad				
		Raed Muhammad Alabdulkarim	-Vice Chairman of Albilad Real Estate Board of Directors				
			-Senior executives at Bank Albilad				
48	Albilad Real Estate	Saleh Suleiman Alhabeeb	-Chairman of Albilad Real Estate Board	Al Rass Land Contract	50,000 SAR	1-Nov-22	31-Oct-56
			-Senior executives at Bank Albilad				
		Raed Muhammad Alabdulkarim	-Vice Chairman of Albilad Real Estate Board of Directors				
			-Senior executives at Bank Albilad				
49	Albilad Real Estate	Saleh Suleiman Alhabeeb	-Chairman of Albilad Real Estate Board	Nozha District Land Contract	50,000 SAR	1-Nov-22	31-Oct-53
			-Senior executives at Bank Albilad				
		Raed Muhammad Alabdulkarim	-Vice Chairman of Albilad Real Estate Board of Directors				
			-Senior executives at Bank Albilad				

#	Related Party	Member/Person with a direct or indirect interest	Reason	Type/nature of relationship or conflict	Contract amount	Contract Date	
						From	To
50	Albilad Real Estate	Saleh Suleiman Alhabeeb	-Chairman of Albilad Real Estate Board	Land contract Al-Shifa neighborhood Riyadh	50,000 SAR	15-Nov-22	14-Nov-24
			-Senior executives at Bank Albilad				
		Raed Muhammad Alabdulkarim	-Vice Chairman of Albilad Real Estate Board of Directors				
			-Senior executives at Bank Albilad				
51	Albilad Real Estate	Saleh Suleiman Alhabeeb	-Chairman of Albilad Real Estate Board	Nokra neighborhood land contract - Hail	50,000 SAR	5-Feb-23	4-Feb-25
			-Senior executives at Bank Albilad				
		Raed Muhammad Alabdulkarim	-Vice Chairman of Albilad Real Estate Board of Directors				
			-Senior executives at Bank Albilad				
52	Riyadh Holding Company	Mr. Haitham bin Mohammed bin Abdul Rahman Al-Fayez	-Member of the Board of Directors of Bank Albilad	A contract for four ATM locations in Bin Qasim Haraj worth 30,000 per contract	120,000 SAR	1-Jun-23	31-May-26
			Member of the Executive Committee of Riyadh Holding Company				
			- Member of the Executive Committee of Riyadh Holding Company				
53	Riyadh Holding Company	Mr. Haitham bin Mohammed bin Abdul Rahman Al-Fayez	- Member of the Board of Directors of Bank Albilad, Chairman of the Remuneration and Nomination Committee and Member of the Risk Committee	Bank Albilad branch held Deira District 427	329,100 SAR	1-Aug-23	31-Jul-26
			Member of the Executive Committee of Riyadh Holding Company				
54	Shafa Association for Sustainable Health Development	Mr. Abdulrahman Abdulaziz Saleh Al-Rajhi	-Major shareholders of Bank Albilad	Injaz Al Bukayriyah Branch Contract	70,000 SAR	14-Jun-23	13-Jun-25
			-Chairman of the Board of Directors of the Association				
		Mr. Mohammed Abdulrahman Al-Rajhi	-Member of the Board of Directors of Bank Albilad				
			-Vice Chairman of the Board of Directors of the Association				

#	Related Party	Member/Person with a direct or indirect interest	Reason	Type/nature of relationship or conflict	Contract amount	Contract Date	
						From	To
55	Albilad Real Estate	Saleh Suleiman Alhabeeb	-Chairman of Albilad Real Estate Board	Holding the land of Jeddah sail wave neighborhood	50,000 SAR	11-June-23	10-Jun-25
			-Senior executives at Bank Albilad				
		Raed Muhammad Alabdulkarim	-Vice Chairman of Albilad Real Estate Board of Directors				
			-Senior executives at Bank Albilad				
56	Sae Solutions Logistics Services	Haitham Bin Suleiman Alsuhami	- Member of the Board of Directors of Bank Albilad and member of the Executive Committee	Card delivery contract to customers	UNIT PRICE	26-Mar-23	25-Mar-24
			Partner in Sae Solutions Logistics				

General clarifications and rules

1. The cases included in the register were compiled and recorded based on the data and forms received from the competent administrative units in each case, and that the data monitored for the purpose of approving the register, and the detailed information for each transaction or case is mentioned or referred to in detail in the annexes to the decision or the minutes of the meeting in which it was discussed, and in accordance with the Companies Law, the Corporate Governance Regulations, the instructions of the regulatory and supervisory authorities, and from It includes the abstention of the stakeholder member from discussing or recommending.
2. The register is approved by the Compliance and Governance Committee on a semi-annual basis or when needed, and presented to the Board of Directors on an annual basis and when needed.



Outstanding statutory payments

(SAR million)

Details	2023	2022
Legal Zakat (1)	272	239
General Organization for Social Insurance (GOSI) 2)	9.1	8.8

1. (1) Legal Zakat – As per the Zakat Acknowledgement to be submitted for 2023, the Bank estimated the outstanding Zakat for 2023 with SAR 272 million (2022: SAR 239 million).
2. (2) The Bank estimated the outstanding amount due to the General Organization for Social Insurance (GOSI) for 2023 with SAR 9.1 million (2022: SAR 8.8 million) paid during January 2024.

Value of statutory paid and accrued payments for the period ending on 31 December 2023:

(SAR thousand)

Item	Paid	Accrued until the end of the annual fiscal year and not paid	Brief	Reasons
Zakat	221,740	272,019	Annual Zakat for 2022	Zakat for 2023 is still under process and will be paid in April 2024
Withholding tax for non-residents	11,333	825	Withholding tax for non-residents	December 2023 tax which was paid in Jan 2024
VAT	44,251	8,392	VAT	December 2023 tax which was paid in Jan 2024
General Organization for Social (GOSI)	88,489	7,628	Social insurance payments paid during 2023	Social insurance payments for December 2023 which was paid in Jan 2024
Visa and passport costs	2,108	-	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	1,167	-	Fees for Capital Market Authority	Fees of the Capital Market Authority in addition to fees for registering employees with it
Municipality fees	6,289	-	Annual Municipality fees	Annual Municipality fees

Albilad Investment Company

(SAR thousand)

Item	Paid	Accrued until the end of the annual fiscal year and not paid	Brief	Reasons
Zakat	13,143	14,509	Annual Zakat for 2022	Zakat for 2023 is still under process and will be paid in April 2024
Withholding tax for non-residents	931	218	Withholding tax for non-residents	December 2023 tax which was paid in Jan 2024
VAT	23,310	3,084	VAT	December 2023 tax which was paid in Jan 2024
General Organization for Social (GOSI)	7,553	688	Social insurance payments paid during 2023	Social insurance payments for December 2023 which was paid in Jan 2024
Visa and passport costs	73	-	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	173	-	Work permit fees for foreign employees	Work permit fees for foreign employees
Capital Market Authority	607	-	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
Riyadh Chamber fees	8	-	Chamber of Commerce fees	Chamber of Commerce fees

Enjaz Payment Services Company

(SAR thousand)

Item	Paid	Accrued until the end of the annual fiscal year and not paid	Brief	Reasons
Zakat	4,401	17,173	Annual Zakat for 2022	Zakat for 2023 is still under process and will be paid in April 2024
Withholding tax for non-residents	54	-	Withholding tax for non-residents	December 2023 tax which was paid in Jan 2024
VAT	30,643	-	VAT	December 2023 tax which was paid in Jan 2024
General Organization for Social (GOSI)	14,551	-	Social insurance payments paid during 2023	Social insurance payments for December 2023 which was paid in Jan 2024
Visa and passport costs	915	-	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	322	-	Work permit fees for foreign employees	Work permit fees for foreign employees
Municipality fees	399	-	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 COVID19- 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 2021 and 2022 effective from 31 March 2021 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	2023 (SAR)
Credit Risk RWA	102,026,814
Operational Risk RWA	6,066,316
Market Risk RWA	2,007,432
Total Pillar-I RWA	110,100,562
Tier I Capital	15,281,887
Tier II Capital	4,273,911
Total Tier I & II Capital	19,555,798
Common Equity Tier I ratio	13.88 %
Tier I ratio	13.88 %
Tier I + Tier II ratio	17.76 %

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 11 Shawwal 1444H, corresponding to 1 May 2023, Ernst & Young Professional Services and PricewaterhouseCoopers have been appointed as external auditors of the Bank for the fiscal year 2023. As for the year 2024, the auditors will be appointed at the meeting of the General Assembly expected to be held in the early second quarter 2024.

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	Positive
Fitch	A-	F2	Stable

Communication with Shareholders

The bank is committed to strengthen its relationship with shareholders, all investors and customers, and believing in the principle of transparency and disclosure of information, the bank's board of directors works on an ongoing basis, in accordance with the principles of governance that work to ensure fair dealing for all shareholders and determine the responsibility of the board of directors towards the bank and its shareholders, and the bank follows in this the regulations, standards and guidelines of the Saudi Central Bank, the Capital Market Authority, the recommendations of the Basel Committee and others on corporate governance, as the bank provides comprehensive and adequate information on all its activities and business. which is guaranteed and published in the annual report and summary financial statements, and on the Saudi Exchange website, as well as its participation in investor conferences inside and outside the Kingdom, as well as in the bank's website (www.bankalbilad.com), which contains in addition to that additional information and news about the bank such as capital increases, as well as dividends of shares that have been distributed to shareholders, inquiries about unreceived profits and other tools, as well as responding to all inquiries raised by shareholders, and encouraging shareholders to participate in annual general assembly meetings. The bank continues focusing on developing the bank's website and the communication mechanisms with shareholders and investors.

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

The bank is committed to protecting the rights of all stakeholders, particularly shareholders. This commitment is reflected in the bank's articles of association, relevant policies, manuals, and procedures. One of the key rights is the ability to attend ordinary and extraordinary general assembly meetings, participate in discussions on the agenda, ask questions to the board, auditors, and executive management, and submit proposals and feedback on the bank's performance. The specific mechanisms for exercising these rights are communicated to the board of directors, and any proposals received from shareholders are presented during the first board meeting and included in the meeting minutes.

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

#	Property File Date	Reasons for the request
1	02/01/2023	Corporate Procedures
2	02/02/2023	Corporate Procedures
3	02/03/2023	Corporate Procedures
4	03/04/2023	Corporate Procedures
5	01/05/2023	General Assembly
6	02/05/2023	Corporate Procedures
7	04/06/2023	Corporate Procedures
8	03/07/2023	Corporate Procedures
9	02/08/2023	Corporate Procedures
10	04/09/2023	Corporate Procedures
11	02/10/2023	Corporate Procedures
12	02/11/2023	Corporate Procedures
13	04/12/2023	Corporate Procedures
14	02/01/2024	Corporate Procedures

Compliance with Corporate Governance Regulations

The Bank and its Board of Directors shall comply with the updated Corporate Governance Regulations issued by the Capital Market Authority, its updates, as well as with the Executive Regulations of the Companies Law for listed joint-stock companies, the main principles of governance in financial institutions subject to the supervision of the Central Bank of Saudi Arabia and their updates, the regulatory instructions and controls issued in accordance with the Companies Law, its updates and regulations, and the Bank’s relevant policies and documents.

The Bank has committed to implementing all the provisions of the aforementioned Corporate Governance Regulations, with the exception of sub-paragraph (b) related to the disclosure of senior executives’ remuneration of subparagraph (4) of paragraph (a) of Article (90) and related to paragraph (b) of the same article, as it was partially complied with by disclosing the total remuneration of the aforementioned senior executives.

Board Acknowledgments

The Board of Directors of the Bank affirms the following:

- The account records have been appropriately prepared.
- The internal control system has been adequately developed and effectively implemented.
- There is absolutely no doubt about the Bank’s ability to continue its activities.

In conclusion, the Board of Directors, the CEO and all the ambassadors of the Bank have the honour to extend their deepest thanks and appreciation to the Custodian of the Two Holy Mosques King Salman bin Abdulaziz Al Saud - may Allah protect him, and to His Royal Highness Prince Mohammed bin Salman bin Abdulaziz, Crown Prince and the Prime Minister - may Allah protect him - for the assistance, support and encouragement received by the banking sector and financial institutions, and thanks to the Ministry of Finance, the Ministry of Commerce, the Saudi Central Bank and the Capital Market Authority.

The Board of Directors and the CEO would also like to extend their thanks and appreciation to all the Bank’s shareholders and customers for their support and trust. They also thank Albilad ambassadors for their sincere efforts to develop and improve the performance and achieve the Bank’s goals and objectives.

