

Riyad Bank

Board of Directors Report

2023



The Board of Directors of Riyadh Bank is pleased to present its Annual Report to the Shareholders on the performance of the Bank and its subsidiaries for the fiscal year ending on December 31, 2023, including information about the Bank's activities, its most important achievements, strategies, financial results, the Board of Directors and its various committees, and other complementary information aimed at meeting the needs of the reader.

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01 Bank Profile

About Riyadh Bank

Established in 1957, Riyadh Bank is one of the largest financial institutions in the Kingdom of Saudi Arabia and the Middle East, with paid-up capital of SAR 30 Bn. Our talented and experienced team of more than 7,887 employees, boasting a Saudization rate of 96% that is among the highest of any large organization in the Kingdom, are the foundation of our success through the years and a source of great pride for the Bank.

To meet the diverse and evolving needs of our retail and corporate customers, including small and medium-sized enterprises, we provide a comprehensive range of industry leading conventional and Sharia'-compliant products and services. Established as a leading financier and arranger of syndicated loans in the oil, petrochemicals, and most of the Kingdom's notable infrastructure projects, we are proud to play a leading role in various areas of finance and investment around Saudi Arabia, supporting the goals of Vision 2030. Our subsidiary, Riyadh Capital, is a leading player in the IPO advisory business and asset management, having won numerous prestigious investment awards in asset management, which enabled the Company to achieve leadership in the financial sector.

Our innovative and differentiated banking and financial solutions are offered through a broad network of 335 licensed branches, and more than 227,740 POS, in addition to more than 2,200 ATMs that are all distributed in strategically selected locations across the Kingdom. Our electronic banking services (web-based and mobile applications) apply the latest electronic technologies to support the banking needs of our customers with the utmost speed, convenience, and security.

Our growing footprint now includes our branch in London, our agency in Houston (USA) and our representative office in Singapore, with a new representative office set to be launched in China soon to build our brand internationally and serve our customers wherever they are around the world.

Yearestablished

1957

Paid-up capital

SAR 30 Bn.

Vision

- To be the most innovative and trusted financial solutions partner.

Mission

- To help people, organizations, and society achieve their aspirations by being their trusted and caring financial solutions partner.

Values

- We Care.
- We Win.
- We are One Team.

Our Operating Segments

Retail Banking

Deposits, credit, and investment products for individuals and small to medium sized businesses.

Corporate Banking

Principally handling corporate customers' current accounts, deposits, and providing loans, overdrafts, and other credit facilities and derivative products.

Treasury and Investment

Principally providing money market, trading, and treasury services, as well as the management of the Group's investment portfolios.

Investment Banking and Brokerage

Investment management services and asset management activities related to dealing, managing, arranging, advising, and custody of securities.

The following table lays out the contributions of each operating segment to the Bank's total net income for 2023.

Operating Segment	Net Income before Zakat (SAR Mn.)	Contribution %
Retail Banking	614	7%
Corporate Banking	5,560	62%
Treasury and Investment	2,214	25%
Investment Banking and Brokerage*	583	6%
Total**	8,971	100%

*Represents Riyadh Capital.

**The influence of other subsidiaries on the Bank's results is not material.

02 Strategic Review

Strategy and KPIs

Creating sustainable value. Always with you.

In 2022, the Bank's strategy was refined to adapt to the macro-environment, underpinned by rising interest rates. The refined 2025 Strategy is built upon 4 strategic pillars, focusing on accelerating growth and innovation:

- Most Profitable.
- Most Efficient.
- Bank of Choice.
- Most Innovative and Digitally Enabled.

Achieving these aspirations by 2025 requires the Bank to excel across key internal capabilities, such as customer experience, speed to market with new products, organizational agility, and talent management.

Fully aligned with the goals of Saudi Vision 2030 and the Bank's commitments to corporate sustainability, this strategy allows the Bank to pursue its business ambitions while contributing to the greater good and success of the Kingdom.

Our strategic aspirations are driven by key operating model shifts across our business units.

	Description	Previous Approach	Updated Approach
Our Segments	<ul style="list-style-type: none"> Groups of Riyadh Bank customers with similar characteristics and behaviors, such as affluence and confidentiality. 	<ul style="list-style-type: none"> Focusing on banking needs only, by formulating meet-the-market propositions. 	<ul style="list-style-type: none"> Focusing on the customer ecosystem beyond banking to create custom propositions for particular segment levels.
Our Products	<ul style="list-style-type: none"> "What" the Bank offers the customers, from accounts to credit cards to loans. 	<ul style="list-style-type: none"> Setting standardized prices to match the market, with a focus on balance sheet growth and value of NIBs. 	<ul style="list-style-type: none"> Developing customized relationships via risk-based pricing and capturing transactions, FX, fees, etc. to create wealth for customers.
Our Channels	<ul style="list-style-type: none"> "How" the Bank offers services and products to serve customers through multiple touchpoints, such as branches, IVR, digital portal, and app. 	<ul style="list-style-type: none"> Branch first for sales and service. 	<ul style="list-style-type: none"> Mobile/digital first for sales and service.

Our Strategic Drivers

Riyad Bank's success in achieving its aspirations will be driven by 3 strategic drivers:

Value through Innovation

Under the new strategy, value will be driven by innovation across the entire customer experience. This entails developing tailored value propositions for the various customer segments in the Saudi market, offering products and services beyond banking, developing personalized relationships with customers, offering customized pricing, and providing state-of-the-art digital platforms for customers to conveniently interact with the Bank.

Efficiency through Digitalization

A key focus of the strategy is to enhance digital maturity across the Bank to enable faster customer service, operational efficiency, and cost optimization. Digitalization covers all aspects of the Bank's operations, including customer touch points (e.g., Riyadh Bank's mobile application), customer journeys, and internal processes.

Enablement through Next Gen Operating Model

Successful implementation of the strategy will be supported by improvements across all enabler departments. This entails pioneering new ways of working (e.g., implementing Agile), upgrading existing systems (e.g., modernizing the Bank's core IT infrastructure), and elevating the Bank's culture.

Our Strategic Pillars

Our corporate strategy outlines 4 strategic pillars with clear targets to be achieved that will collectively make Riyadh Bank the best Bank in the Kingdom:

Strategic Pillar	Most Profitable	Most Efficient	Bank of Choice	Most Innovative and Digitally Enabled
Description	Highest Shareholder value created sustainably.	Highest return on spends and operational excellence.	Best Bank for customers, employees, and society.	Most innovative and digitally enabled bank.
Success Measurement Criteria	<ul style="list-style-type: none"> Return on Equity (RoE). Total Shareholder return. Profit growth. 	<ul style="list-style-type: none"> Cost-to-income ratio. 	<ul style="list-style-type: none"> Net Promoter Score (NPS) of customer satisfaction. Brand value. People Index: <ul style="list-style-type: none"> Employee engagement. Employee satisfaction. Talent measures. 	<ul style="list-style-type: none"> Digital Maturity Index.

2023 Achievements	<ul style="list-style-type: none"> ▪ RoE increased significantly mainly due to the improvement in net income. The main driver of the net income improvement was growth in net interest income, which was driven by the impact of re-pricing and volume of the loan portfolio growth. In contrast, there was an increase in operating expenses, due to our continuous investment in the Bank from both a talent acquisition and a technology perspective. 	<ul style="list-style-type: none"> ▪ The higher positive growth in operating income compared to the lower growth in operating expenses has led to the overall improvement in the cost-to-income ratio. The overall net income was impacted by additional provisions required, which saw a significant growth year on year due to initiatives to improve our asset quality ratios. 	<ul style="list-style-type: none"> ▪ The consumer NPS for customer satisfaction improved by 10% at end-year. ▪ Riyadh Bank's brand value in the Brand Finance Report increased significantly to USD 2.06Bn. by year end. ▪ The People Index, comprised of several KPIs has had a significant impact on employee's engagement, satisfaction, and retention across their employment lifecycle. Each KPI had a defined target to be achieved by the end of 2023, which have successfully been achieved. 	<ul style="list-style-type: none"> ▪ Several initiatives to enhance digital maturity on mobile banking for both corporate and retail customers, which has increased efficiency and security throughout the Bank's business units.
2024 Goals	<ul style="list-style-type: none"> ▪ Improve RoE and profit growth to achieve 2025 aspirations. ▪ Maintain Top 3 position among peers in total Shareholders return. 	<ul style="list-style-type: none"> ▪ Improve cost-to-income ratio to achieve 2025 aspirations. ▪ Enhance time efficiency to achieve 2025 targets among multiple products. 	<ul style="list-style-type: none"> ▪ Increase NPS for retail and corporate consumers towards achieving 2025 aspirations. ▪ Enhance brand value towards achieving 2025 aspirations. ▪ Achieve People Index targets working towards 2025 aspirations to be the Bank of Choice. 	<ul style="list-style-type: none"> ▪ Achieve higher digital maturity and digital sales by launching multiple digital platforms.
Principal Risks	<ul style="list-style-type: none"> ▪ High interest rates leading to higher cost of funds. ▪ Further slowdown in credit growth. ▪ More shifts towards IBs. 	<ul style="list-style-type: none"> ▪ Decreased customer engagement due to overly standardized processes that lack personalized interactions. 	<ul style="list-style-type: none"> ▪ Competing with other banks for top talent might lead to difficulties in retaining skilled employees, affecting the Bank's ability to maintain a committed and talented workforce. 	<ul style="list-style-type: none"> ▪ Delay in implementation or launch of the digital platforms. ▪ Regulatory approvals on new products and channels.

Financial Results

Ensuring Financial Stability. Always with you.

Riyad Bank achieved SAR 8,046 Mn. as net profits for the 12-month period ending on 31 December, 2023, an increase of 15% over the same period of the previous year, which amounted to SAR 7,019 Mn. Considering the current economic changes and challenges, Riyad Bank continued to focus on the main banking activities and maintaining its financial position. Net loans and advances increased by 13%, amounting to SAR 274,398 Mn., compared to SAR 242,365 Mn. for the previous year. Customer deposits increased by 6 % to SAR 254,908Mn., compared to SAR 240,007 Mn. in 2022. Assets amounted to SAR 386,849Mn., compared to SAR 359,653 Mn. for the previous year, with an increase of 8%.

Total operating income amounted to SAR **15,899** Mn. during the 12 months ending on 31 December, 2023, compared to SAR 13,599 Mn. for the same period in 2022, with an increase of 17%.

Reflecting on the strength of Riyad Bank's assets and the diversity of its financing and investment products, Riyad Bank was able to achieve an increase of 23% in net special commission income, which amounted to SAR 12,414 Mn. in 2023, compared to SAR 10,052 Mn. for the same period in 2022. Earnings per share increased to SAR 2.58 as compared to SAR 2.32 for the previous year.

The increase in Riyad Bank's net profits in 2023 is due to a 17% increase in total operating income, and a 23% increase in net special commission income as compared to the previous year.

Material Differences in Operating Results compared to the Previous Year

Description (SAR Mn.)	2023	2022	Change	Change %
Net income after zakat	8,046	7,019	1,027	15%
Total operating income	15,899	13,599	2,300	17%
Net special commission income	12,414	10,052	2,362	23%
Earnings per share	2.58	2.32	0.26	11%
Total assets	386,849	359,653	27,196	8%
Net investments	58,109	52,196	5,913	11%
Net loans and advances	274,398	242,365	32,033	13%
Customer deposits	254,908	240,007	14,901	6%

*Certain comparative figures have been reclassified to conform to the current period's classifications.

A Summary of Riyadh Bank's Financial Results during the Past 5 years

A) The following is an analysis of the most important items of the consolidated statement of financial position: *

Description (SAR Mn.)	2019	2020	2021	2022	2023
Assets					
Cash and balances with banks and other financial institutions and Saudi Central Bank	33,924	55,579	43,232	53,980	41,609
Loans and advances, net	173,982	191,347	217,290	242,365	274,398
Investments, net	53,361	56,450	58,637	52,196	58,109
Property, equipment, and other real estate	2,435	2,752	3,020	3,774	6,138
Other assets	2,086	3,961	3,556	7,338	6,595
Total assets	265,789	310,088	325,736	359,652	386,849
Liabilities					
Balances with banks	13,124	41,789	43,134	38,760	42,464
Customer deposits	194,518	203,039	211,678	240,007	254,908
Other liabilities	17,575	20,905	23,624	24,712	29,219
Total equity	40,571	44,355	47,300	56,173	60,258

*Certain comparative figures have been reclassified to conform to current period classifications.

B) The following is an analysis of the most important items of the consolidated income statement: *

Description (SAR Mn.)	2019	2020	2021	2022	2023
Total operating income and Riyadh Bank's net share in the associates' profits	10,870	11,224	11,535	13,519	15,911
Total operating expenses	4,638	5,740	4,817	5,690	6,940
Net income after zakat	5,602	4,715	6,025	7,019	8,046
Earnings per share (SAR)	1.87	1.57	2.01	2.32	2.58

*Certain comparative figures have been reclassified to conform to current period classifications.

Geographical Analysis of the Total Revenues of Riyadh Bank and its Subsidiaries

The total revenues for the period ending on 31 December, 2023 amounted to SAR 13,717 Mn from operations inside the Kingdom, and SAR 2,182 Mn from operations outside the Kingdom.

Geographical Analysis of the Total Revenues of Riyadh Bank and its Subsidiaries Within the Kingdom (SAR Mn.):

Year	Within the Kingdom of Saudi Arabia			Total Revenues Within the Kingdom
	Western Region	Central Region*	Eastern Region	
2023	3,292	8,144	2,281	13,717

* The amount specified for the central region includes revenues from central investments related to the investment and treasury sector, amounting to SAR 4,316 Mn. These are not linked to a specific geographical sector within the Kingdom. It also includes revenues related to other regions that cannot be separated.

Geographical Analysis of the Total Revenues of Riyadh Bank and its Subsidiaries from Outside the Kingdom(SAR Mn.):

Year	Outside the kingdom					Total Revenues from Outside the Kingdom
	GCC Countries and the Middle East Region	Europe	North and Latin America	Southeast Asia	Other Regions	
2023	973	623	440	19	127	2,182

Dividends

Riyadh Bank complies with the relevant applicable regulations, and aligns with the below policies when distributing profits to Shareholders:

- a)** 25% of the net profits shall be deducted to form the statutory reserve. The deduction may be stopped when the total reserve reaches the amount of the paid-up capital.
- b)** Based on the recommendations of the Board of Directors and the approval of the General Assembly, the determined profits shall be distributed to the Shareholders from the net profits, relative to the number of shares held.

The Board of Directors recommended that the dividends be distributed as follows:

	(SAR'000s)
Retained earnings from 2022	7,500,430
Net profit after zakat for the year 2023	8,045,844
Total	15,546,274
To be allocated and distributed as follows:	
Cash dividends distributed to Shareholders for the first half of 2023	(1,947,226)
Cost of issuing first tranche Sukuk	(310,416)
Transferred to the statutory reserve	(2,011,461)
Retained earnings for the year 2023	11,277,171

Riyad Bank distributed profits to Shareholders on 7 August, 2023 for the first half at 65 Halalas per share. The balance of the profits proposed to be distributed to the Shareholders for the second half of the year, at 75 Halalas per share, will be distributed, if approved by the General Assembly, bringing the total distributions for the full year 2023 to SAR 4,193 Mn., at SAR 1.4 per share. This is equivalent to 14% of the nominal value of the shares, after deducting Zakat.

Bank's Credit Rating

Rating Agency	Long-Term	Short-Term	Future Outlook
Fitch	A-	F2	Stable
Standard & Poor's	A-	A-2	Stable
Moody's	A2	P-1	Positive

Finance and Debt Securities Issued

The Bank successfully raised a syndicated senior unsecured term facility amounting to USD 1.2 Bn. with a group of 11 international banks. This landmark inaugural financing for a period of 3 years was achieved on competitive terms, with a floating financing rate and margin of 85 basis points on the SOFR index. The deal proves Riyad Bank's abilities and strong standing in the financial market. It also supports the Bank's growth plan and the diversification of its funding base.

Riyad Bank also confirms the following:

- There are no debt instruments issued by the subsidiaries.
- There are no term loans due from subsidiaries with a local bank as at 31 December, 2023.
- The Bank did not issue or grant any convertible debt instruments, contractual securities, subscription rights notes, or similar rights during 2023.
- The Bank did not issue or grant any conversion or subscription rights under convertible debt instruments, contractual securities, subscription right memorandums, or any similar rights during 2023.
- The Bank, nor any of its subsidiaries, has not made any refund, purchase, or cancellation of any redeemable debt instruments.

Disclosure of Treasury Shares held by Riyadh Bank and Details of their Uses

The extraordinary general assembly on 26 March, 2023, approved the employee stock incentive program, for which 5 Mn. shares will be repurchased as treasury shares to be allocated to the employee stock incentive plan. The bank completed the mentioned repurchase during the current period, and as of 31 December, 2023, the number of treasury shares held amounted to 5 Mn. shares.

Accounting Standards Followed

The Bank prepares the financial statements in compliance with the International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA), the Banking Control Law, the Regulations for Companies in the Kingdom of Saudi Arabia and by-laws of the Bank. These are audited by the external auditors of the Bank in accordance with the International Financial Reporting Standards and their interpretations issued by the International Accounting Standards Board and approved in the Kingdom of Saudi Arabia and other standards and issuances approved by the Saudi Organization for Certified Public Accountants and in line with the Banking Control Law and the provisions of the Companies Law in the Kingdom and the Bank's Articles of Association. There are no fundamental differences from the accounting standards issued by the Saudi Organization for Certified Public Accountants.

Statutory Payments

There are no final statutory payments due by Riyadh Bank for the year 2023, except for what is mentioned in the descriptions below:

Description (2023)	SAR 000s 2023	
	Paid	Due
Zakat – Tax and Customs Authority (ZATCA) (regarding the fiscal year 2023)*		924,955
Taxes borne by Riyadh Bank on behalf of some non-resident entities (according to the terms of the contract)	32,652	-
Taxes owed to Riyadh Bank foreign branches in favor of official authorities outside the Kingdom	38,000	-
GOSI	125,947	-
Visa and passport costs	4,488	-
Any other regular payments**	9,878	-

* Zakat will be paid for the year 2023, no later than 30 April, 2024.

** Governmental fees.

Riyad Bank is committed to the agreement concluded with ZATCA on 20 December, 2018 to settle Zakat claims for the previous fiscal years until the end of the fiscal year 2017, in return for a payment of SAR 2,969,722,864. An advance payment of this settlement was made during 2018, with a commitment to pay the rest in 5 equal installments over 5 years, commencing on 1 December, 2019 and ending on 1 December, 2023. The first, second, third, fourth, and final installments were paid in 2019, 2020, 2021, 2022, and 2023, respectively.

Statutory Violations and Penalties

Riyad Bank applies, in the course of its daily business, all banking systems, regulations and rules issued by the supervisory authorities. Riyad Bank is also keen to limit the occurrence of any violations and to take the necessary corrective actions if they occur.

Penal Decisions of the Saudi Central Bank:

Violation Subject	Fiscal Year 2022		Fiscal Year 2023	
	Number of Penal Decisions	Total Amount of Fines (SAR)	Number of Penal Decisions	Total Amount of Fines (SAR)
Violation of the Central Bank's supervisory instructions	31	16,348,060	29	19,688,595
Violation of the Central Bank's instructions regarding due diligence in combating money laundering and terrorist financing	2	400,000	0	0
Violation of the Central Bank's instructions for customer protection	3	4,124,040	0	0
Violation of the Central Bank's instructions for due diligence	0	0	0	0
Violation of the Central Bank's instructions regarding the level of performance of ATMs, points of sale, and SADAD machines	6	115,000	0	0

The statutory violations and penalties imposed by the supervisory, regulatory, or other judicial authorities in 2023:

Authority	Classification of the Violation	Number of Fines	Total Amount of Fines (SAR)
Secretariats and other government agencies	Fines for ATM plates, site licenses, and other fines	85	20,673

Transactions with Related Parties

The following statement shows the balances resulting from related party transactions as on 31 December, 2023, which took place during the normal business cycle of Riyadh Bank, according to the definition of related parties in Article 1 of the Corporate Governance Regulations:

Description	Total (SAR'000s)
Loans and advances	5,759,033
Customer deposits	18,665,287
Derivatives (at fair value)	(1,843)
Commitments and contingencies	10,137,888
Special commission income	348,421
Special commission expenses	1,285,554
Fee and commission income, net	305,921
Miscellaneous operating expenses	435,498

Transactions with related parties include a set of business contracts that are carried out for the account of Riyadh Bank, in which the members of the Board of Directors have a direct or indirect interest, are as follows:

Nature of the Contract	Related Party	Owner	Contract Expiry	Annual Value of the Contract (SAR)
Renting the General Administration Building (Granada Oasis) A1	Member of the Board of Directors, Mr. Hani Abdullah Al-Juhani, works at Hassana Investment Company, which is the investment arm of the General Organization for Social Insurance.	The General Organization for Social Insurance	14.08.2024	31,068,444
Supplying the stationery to the Bank's various	Member of the Board of Directors, Mr. Abdul Rahman Ismail Tarabzouni, is a member of the Board	Jarir Marketing Company	22.01.2024	1,500,000

departments and branches	of Directors of the Company.			
Renting the headquarters of the Sixtieth Street Branch 286 for exhibition no. (1,2,3,5) - Riyadh	Member of the Board of Directors, Mr. Hani Abdullah Al-Juhani, works at Hassana Investment Company, which is the investment arm of the General Organization for Social Insurance.	The General Organization for Social Insurance	08. 08.2026	600,000
Contract to provide 300 SIM cards	Mr. Moataz bin Qusai Al-Azzawi is a member of the Board of Directors of the Company.	Etihad Etisalat Company - Mobily	31.03.2023	489,600
Contract to provide connectivity services for the General Administration building - Granada	Mr. Moataz bin Qusai Al-Azzawi is a member of the Board of Directors of the Company.	Etihad Etisalat Company - Mobily	17.02.2024	447,888
Renting the Al-Muraba branch 218 King Abdulaziz Street, Riyadh	Member of the Board of Directors, Mr. Hani Abdullah Al-Juhani, works at Hassana Investment Company, which is the investment arm of the General Organization for Social Insurance.	The General Organization for Social Insurance	20.07.2025	400,000
Renting 20 parking spaces in Granada Business for Relationship Managers in the Corporate Banking sector	Member of the Board of Directors, Mr. Hani Abdullah Al-Juhani, works at Hassana Investment Company, which is the investment arm of the General Organization for Social Insurance.	The General Organization for Social Insurance	14.08.2024	360,000
SAMA Joint Network (SJN) connectivity renewal + upgrade	Mr. Moataz bin Qusai Al-Azzawi is a member of the Board of Directors of the Company.	Etihad Etisalat Company Mobily	24.07.2024	97,200
Renting an ATM site at the Marriott Hotel - Riyadh	Chairman of the Board of Directors, Eng. Abdullah Mohammed Al-Issa, is Chairman of the Board of Directors of the Company.	Dur Hospitality Company	22.11.2025	30,000
Renting an ATM site at Umm Al-Qura Makarim	Eng. Muhammad Ibrahim Al-Issa is the father of the Chairman of the Board of	Mohammed Ibrahim Al-	20.02.2021	18,000

Hotel - Makkah Al-Mukarramah	Directors of the Bank, Abdullah Muhammad Al-Issa.	Issa and Sons Co		
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Disclosure of Small, Medium, and Micro Enterprises Data

1- Qualitative Disclosure:

The approved definition of small, medium, and micro enterprises:

Micro, Small, and Medium Enterprises are classified according to the definitions of the Saudi Central Bank, which is based on criteria such as annual turnover and number of employees.

Initiatives taken by Riyadh Bank to support these facilities, in addition to the number of employees, training initiatives, and workshops provided to customers and employees for the year 2023:

2023	Borrowing	Non-Borrowing
Sector they belong to	Corporate Banking	Retail Banking
Their administration	MSMEs	MSMEs
Number of employees serving the segment	275	12
Number of employees who have been given training courses	177	
Number of training days provided to employees	290	
Number of clients who have been given training courses	21,051	
Number of workshops provided to clients	15,239	
Number of training days provided to clients	291	
Number of centers or branches where the segment provides its services to clients	44	All branches of Riyadh Bank in all regions of the Kingdom

Awards obtained by the Bank in the Micro, SMEs sector during the year 2023:

- The "Finance Guarantee Program for SMEs (Kafala)" announced that Riyadh Bank ranked first in 2023 in terms of the value of financing, guarantees, and the number of beneficiary enterprises we support as well as for financing Tourism and Technology sectors.
- The "Finance Guarantee Program for SMEs (Kafala)" reported that Riyadh Bank ranked first in 2023 in terms of the value of financing and guarantees given, and for the number of beneficiary enterprises we have supported for the seventh year in a row.

Initiatives taken by Riyadh Bank to support these enterprises:

1. Product offering and development:

- Launched an initiative, to the value of USD 1 Bn., to finance telecommunications and information technology enterprises during LEAP Tech Conference in Saudi Arabia 2024.
- Conducted a comprehensive review of all our existing products, which involved a thorough analysis of their performance and some enhancements, to optimize them further.

2. Programs and agreements:

Signed partnership agreements with several entities to offer benefits that better serve SMEs, including the following:

- Riyadh Municipality
- National Technology Development Program
- MSMEs Bank
- Alsharria Young Businessmen Counsel
- Saudi Bar Association
- Monshaat – Tomoh - to support financing start-up MSMEs
- Royal Institute of Traditional Arts

3. Opening of new centers:

- Opening dedicated centers for SMEs can play a crucial role in supporting the growth and success of SMEs by providing specialized financial services, fostering relationships, and contributing to local economic development.
- The inauguration of the Riyadh Bank Center for SMEs in Riyadh in 2023, in the presence and patronage of the Minister of Commerce and Chairman of the Board of Directors of the SMEs General Authority, Dr. Majid bin Abdullah Al-Qasabi.
- Riyadh Bank launched a new standalone center in Al Khobar in 2023.

4. Sponsorships and participation in exhibitions:

- Participated in the Municipal Investment Forum "Foras".
- Participated in the Seamless Saudi Arabia 2023 conference in Riyadh, where local and international tech companies and tech start-ups were expected to attend.

- Sponsored RAD Forum and Exhibition for Entrepreneurship as the banking partner, organized by the Youth Council in the Eastern Chamber of the Eastern Province.
- Main sponsor of Al-Ahsa Forum for start-ups organized by the Ahsa Chamber.
- Participated in the Tourism Development Fund organizes a "Discover Asir Remote".
- Conducted collaborative financial awareness workshops with the Ahsa Chamber.
- Sponsored JAZAN Investment Forum as the diamond partner.
- Participated in the Misk Entrepreneurship Event Elevate.
- Conducted several financial awareness sessions with our partners such as the Chamber of Commerce in Al Madinah, Saudi Bar Association, and Monshaat.

2- Quantitative Disclosure

	SAR'000s			
2023	Micro	Small	Medium	Total
Financing for small and medium enterprises – on-balance sheet items	4,980,980	13,518,456	23,164,342	41,663,778
Financing for small and medium enterprises - off-balance sheet items (nominal value)	886,100	3,933,418	10,612,649	15,432,167
On-balance sheet financing for small and medium-sized enterprises as a percentage of total on-balance sheet financing	1.8%	4.8%	8.3%	14.9%
Off-balance sheet financing for small and medium-sized enterprises as a percentage of total off-balance sheet financing	0.3%	1.4%	3.8%	5.5%
Total secured financing from the "Kafala" program (on and off- balance sheet)	222,553	3,985,665	4,420,819	8,629,037

	SAR'000s			
2022	Micro	Small	Medium	Total
Off-balance sheet financing for small and medium-sized	3,992,919	10,055,980	20,782,824	34,831,723

enterprises as a percentage of total off-balance sheet financing				
Financing for small and medium enterprises - off-balance sheet items (Nominal Value)	1,087,945	3,470,137	8,887,803	13,445,885
On-balance sheet financing for small and medium-sized enterprises as a percentage of total on-balance sheet financing	1.6%	4.1%	8.4%	14.1%
Off-balance sheet financing for small and medium-sized enterprises as a percentage of total off-balance sheet financing	0.4%	1.4%	3.6%	5.4%
Total secured financing from the "Kafala" program (on and off- balance sheet)	263,140	3,661,710	3,657,471	7,582,321

Digital Banking and Innovation

Driving digital innovation. Always with you.

In 2023, Riyadh Bank continued to drive innovation for sustainable success, further solidifying itself as a market leader and truly digital bank. As we continue to expand our use of cutting-edge technologies, such as open banking and artificial intelligence (AI), we are well positioned to meet the evolving needs of both retail and corporate clients in the digital age.

Our digital transformation and innovation activities this year were rich and comprehensive, demonstrated by an increase in our Digital Maturity Index score, despite facing new controls and restrictions to mitigate fraud and risk. Highlights included adopting the Microsoft Power BI platform as an enterprise solution for Bank dashboards and implementing the Medallia customer experience management platform.

The Digital Innovation Center, known as Jeel, took full flight this year, producing a range of minimally viable products, applications, and process improvements. Riyadh Bank also soft launched the internal Molhem Innovation platform along with its first challenge campaign across the entire Bank focusing on CSR initiatives. So far, more than 400 employees have joined the platform as members and generated 85 viable ideas currently undergoing evaluation.

Our innovation efforts were recognized with a number of prestigious awards. The MEA Finance Banking Technology Summit and Awards 2023 named Riyadh Bank "The Most Digitally Innovative Bank." In addition, both the Kingdom's Public Investment Fund and Informatica awarded the Bank for "Best Data Implementation."

The Digital Innovation Center "Jeel"

The formal opening of the Digital Innovation Center this year proved to be fruitful immediately, with the rapid experimentation and scaling of innovative digital products, solutions, and business models.

Through its Digital Lab, Digital Factory, Digital Studio, and Digital Research, Jeel covers all areas of digital transformation and innovation at Riyadh Bank. It supports the Bank in launching new digital platforms, promoting integration with digital partners, channel investments and support for fintech, and develops digital entrepreneurship capabilities locally.

The Center produced an abundance of outcomes in 2023. Solutions passing the minimum viable product phase included an end-to-end digital platform for micro, small, and medium enterprises, usability enhancements to the Relationship Management Workbench, and an end-to-end digital solution that enables Riyadh Bank's customers to enjoy an extraordinary digital home buying experience.

Through Jeel, we also executed the application phase for the Digital Insight Application Phase I, a mobile platform for sharing exclusive finance and technology content. We accelerated the Riyadh Bank/Strategic Initiative Committee change request process, moving all internal changes for Strategic Initiative Committee projects under digital custody to improve the change process base. Internally, we enhanced Jeel's agile delivery to ensure smooth transitions for processes. Finally, toggle management enabled us to implement new features without dependencies on clients' backend changes.

The Center of Intelligence

Riyadh Bank stayed on top of global developments in AI this year through the 2023 launch of its Center of Intelligence (COI). The establishment of the COI signals our emphasis on leveraging AI technologies at the Bank, with a priority on conversational AI. Conversational AI technologies enable natural language processing and understanding, allowing customers to interact with the Bank through voice or text-based interfaces. Employing this technology will lead to faster response times, improving self-service capabilities, and enhancing customer satisfaction.

Open Banking and BaaS

Throughout this year, we have successfully implemented a culture of innovation and created new value propositions through our open banking and Banking-as-a-Service (BaaS) model. By facilitating secure and seamless data sharing between businesses and their financial service providers, open banking transforms how we work, making it more efficient and effective. This has resulted in enhanced decision-making capabilities that have helped streamline processes across the board.

In 2023, we reached a significant milestone by receiving official certifications to offer open banking services under the regulatory framework issued by the Central Bank of Saudi Arabia, which we officially announced through Riyadh Bank's social media accounts. This will allow us to provide various open banking services to individual customers. This achievement is part of our strategy to focus on meeting the expectations of our customers.

Riyadh Bank has introduced a secure and user-friendly data-sharing framework that allows individuals to control their financial information. This service lets Riyadh Bank's customers manage their account data by agreeing to share it with open banking providers through Riyadh Online and Riyadh Mobile. The Bank has partnered with 7 open banking providers, including Malaa, Sanam, Lean Technologies, Drahim, Spare Arabian, Tarabut Gateway, and SingleView Company. This means more financial options and services are now available to Riyadh Bank's customers.

Riyad Bank has launched an official open banking page on its website to complement its efforts. The page offers its customers information about the open banking services and benefits provided by Riyad Bank. It also displays the authorized authorities of the Central Bank of Saudi Arabia and a list of frequently asked questions. In addition, Riyad Bank is actively raising community awareness by publishing several leaflets highlighting the services, features, and security of open banking in the Kingdom of Saudi Arabia.

Driven by our commitment to innovation, Riyad Bank is now finalizing the extension of our open banking benefits to corporate clients. This expansion will provide a wide range of benefits for businesses of all sizes and further enhance Riyad Bank's position as a leader in the digital banking landscape.

New Products and Technologies

Riyad Bank's enabling ecosystem and culture of innovation fostered a plethora of new products, processes, and technologies. Digital Banking engaged with the new Al Fursan and Al-Hilal credit cards, designing the products, and providing data management support. The Bank also upgraded the Token youth mobile banking platform, facilitating parents to assign activities to their children through the app. We are also preparing to launch an application programming interface (API) marketplace and developer portal to further enable fintech's and other entities to leverage open banking, BaaS, and other API-based services.

The implementation of the Microsoft Power BI platform as an enterprise dashboards solution improved the Bank's performance by providing faster and accurate data visualizations and analytics. This allowed Riyad Bank's Management to make informed decisions based on up-to-date information, leading to more efficient operations, better financial management, and improved strategic planning.

Riyad Bank also mastered and upgraded a wide range of technologies this year, covering the areas of data governance, enterprise data catalogue, data privacy, data masking, data virtualization, and data quality.

Fostering Fintech's

Our synergistic relationship with fintech's continued this year, as we provided support and funding for the region's most promising technology start-ups. In 2023, we announced the support by launching Malaa Technologies, an open banking service that will allow our customers to benefit from their personal finance management solution. Importantly, Riyad Bank was also honored by His Excellency Mohammed Bin Abdullah El-Kuwaiz, Chairman of the Board of the Capital Market Authority, for our sponsorship of and successful partnership in the Financial Academy's Fintech Bootcamp.

This year saw the completion of our fifth cohort of the Riyad Bank Open Innovation Program, known as WSL. The program is 8 weeks of intensive training coupled with a platform that offers entrepreneurs and innovators an experimental environment to create programs and applications that simulate data banking connectivity tools. In total, WSL has graduated 66 fintech's and now maintains a global reach with participants from more than 9 countries, including Saudi Arabia, Egypt, France, Russia, and the United Kingdom.

Looking Forward

2024 will be expansive for Riyadh Bank from a technology perspective, as we live up to our reputation of being a truly innovative digital bank. Through our Venture Builder Program, we have established the 1957 Ventures Fund along with its special-purpose vehicle (SPV). Furthermore, we are in the process of establishing the venture builder “1957 Ventures” and in the preparation stages of incorporating the first 3 portfolio companies (ventures). Other important activities include upgrading our current big data platform and strategy, implementing requirements from the National Data Management Office, and activating and upscaling our data management platform.

This year will see Riyadh Bank’s expanded use of analytics and AI use cases through the COI. We will identify areas where advanced analytics and AI will drive value generation and cost reduction. By leveraging the COI’s capabilities, we will focus on implementing innovative solutions across the Bank.

Another priority of the COI will be to further increase engagement across the business and with our Stakeholders. This will involve collaborating with different departments, business units, and external partners to identify opportunities for utilizing the COI’s capabilities. By fostering strong partnerships and alignment across the organization, Riyadh Bank will drive the adoption and implementation of digital initiatives more effectively.

Riyadh Bank will also continue its branding, promotion, and communication efforts for the COI. By raising awareness and showcasing the COI's capabilities, the Bank will position itself as a leader in advanced analytics and AI within the Middle East. This will attract talent, foster partnerships, and enhance Riyadh Bank's overall reputation in the digital banking and innovation space.

Building on the successful implementation of the Microsoft Power BI platform and the initial set of comprehensive dashboards, we will further expand dashboard coverage in 2024. We will develop additional dashboards to cover more areas of the Bank, providing faster and more accurate insights and analytics to various Stakeholders, including senior Management as well as multiple departments and business units.

By taking another step towards achievement, Riyadh Bank will continue to develop and implement more open banking services in 2024, most notably Payment Initiation Services (PIS), which will enable payment services through open banking to all Riyadh Bank customers, a new service of its kind across the Kingdom of Saudi Arabia. In addition, the Bank is working continuously to implement a billing system through which revenues will be created for open banking services for payments.

Corporate Innovation in Action: Molhem Innovation Program

Riyadh Bank’s Molhem Innovation Program held its third bootcamp over a period of two weeks. The intensive 2-week program was once again designed to extract ideas and turn them into prototyped solutions for the market, in order to give Riyadh Bank a competitive edge.

With the participation of 68 Bank employees from different departments, 10 teams were formed to work on creative validated solutions, which are relevant to the market and supportive of Riyadh Bank's strategic progress.

The teams were supported by over 30 mentors from 15 different divisions across the Bank, who shared expertise and helped to co-create innovative solutions. Based on qualitative research by the participants, they discovered a new way of thinking and problem solving.

Customer Experience and Communication

Delivering better banking. Always with you.

At Riyadh Bank, our customers have always been at the heart of everything we do. This year, we continued to build relationships based on trust and loyalty, surpassing customer expectations with game-changing innovation and technology.

In 2023, the role of customer experience became even more intensified in driving all 4 pillars of our transformation strategy: most profitable, efficiency, digitalization and innovation, and Bank of Choice for customers and employees.

Furthermore, we met and exceeded its key performance indicators for customer experience. We have grown the Retail Banking net promoter score (NPS) by 10% year-on-year and increased the Corporate Banking NPS by 9%.

We improved our brand equity by 2.5 points, from 12.1 points in 2022 to 14.6 points by 2023. In addition, our brand value improved by 17% as of 2023 compared to last year, demonstrating the growing equity with our customers.

Throughout the year, we focused on developing and expanding our brand exposure, increasing awareness, and enhancing overall brand value through successful partnerships. Our sponsorship of Al-Hilal Club, for example, brought us closer to our customers and stood out as the first-of-its-kind partnership in the banking sector.

DIGITAL TRANSFORMATION

This year, the Bank's customer experience story centered around our commitment to digitalization and leveraging technology to enhance our brand, engage customers, and continue providing exceptional service. Additionally, we dedicated efforts to strengthen communication channels, ensuring clear and effective interactions with customers and employees.

Streamlining Our Platforms

Through our online platforms, we offered our customers convenient and secure access to their accounts from anywhere, at any time, with additional and enhanced features. This enables users to perform transactions, manage their finances, and access various banking services with ease.

We have also leveraged mobile apps and social media channels to interact with customers on a deeper level. These channels enable us to provide updates to promptly address customer queries and concerns. This level of engagement fosters stronger customer relationships and ensures their satisfaction throughout their banking journey.

This year, we worked to create a consistent user experience across all digital channels and to unify our design system. This involved streamlining design components and ensuring their seamless integration across various platforms.

Additionally, we created multiple layouts that prioritized intuitive, user-friendly designs. We also developed digital channels with a Saudi National Day theme to engage users. Moreover, we created responsive email notifications that were compatible with users' mobile devices.

Employing Cutting-Edge Technologies

In 2023, we took remarkable strides towards transforming Riyadh Bank into a fully digital bank by introducing Metaverse services to provide customers with new and immersive digital experiences. Riyadh Bank's Metaverse presence will help the Bank to create an awareness about its position against fraud activities and provides a communication channel to the Bank from the virtual worlds. In addition, to promote the Bank's products and services, Metaverse will promote the Bank's brand in virtual worlds.

We are also employing data analytics, along with a range of other digital technologies, to run our Voice of the Customer program, which addresses customer comments and feedback. The program offers insights on customer's experiences, behavior, preferences, and needs, allowing us to provide tailored solutions and recommendations to enhance their overall banking experience.

Elevating the Customer Journey

In 2023, we significantly transformed the customer's experience by adopting innovative and creative thinking to solve problems and improve the customer journey. During Customer Experience Week, which is aligned with World Customer Experience Day, we conducted Enlightening Decision Jam workshops in Riyadh, Jeddah, and Dammam to solve key issues faced by our customers.

This year, we also digitalized the customer journey for opening an account, and elevated other journeys. These included ATM money transfers and bill payments, employee recruitment and onboarding, and employee performance management. Furthermore, we conducted 4 design thinking workshops to enhance ATM transaction journeys, as well as employee recruitment, onboarding, performance, and recognition.

Upgrading and Supporting Bank Processes

In 2023, we achieved ISO 10004:2018 certification for our Customer Experience Department, demonstrating our commitment to upholding the highest standards for monitoring and measuring customer experience practices.

The Department conducted numerous research studies for other divisions. These studies focused on customer experience, benchmarking, and employee experience. To better understand customer experience and benchmarking, the Department conducted studies on various banking experiences, such as retail banking, diamond banking, private banking, corporate point-of-sales, corporate priority transactions, MSMEs online, and branch account opening journeys, corporate experiences, brand equity measurement, brand value, retail digital multi-channel benchmarking, SME-corporate digital benchmarking, sales effectiveness benchmarking, competitive market intelligence, NPS benchmarking, and retail and corporate digital maturity.

The Department also conducted employee experience studies for the Human Capital Division, including recruitment and onboarding experiences, high performer preferences for development paths, and career counsellors' experience.

In addition, we conducted training for our Quick Service Officers (QSOs) to improve customer experience at our branches and enhance their overall performance. The Department also provided comprehensive support across the Bank, successfully completing over 50 business requirement documents and change requests.

FOCUS FOR 2024

In the year ahead, we will continue to elevate the customer experience, helping us to attain and retain clients, while minimizing the cost of problems and complaints. We will also continue to seek perfection while enhancing the customer journey for a wide range of products, services, and channels. Our aim is to reduce the error rate for all retail products and services, embedding a "right things right, first time" culture into the Bank.

On the digital front, we will implement the Medallia XM platform that will enable us to conduct real-time customer surveys, prepare customized live dashboards, perform automated text analytics, and use multiple channels such as push notifications and WhatsApp messages for sending surveys.

In addition, we will launch the customer experience benchmarking platform NPS Prism to compare Riyad Bank's performance to its competitors. This will cover overall bank performance, channel performance, product performance, and moments of truth, as well as the impact of strategic changes on customer satisfaction.

03 Operating Review

Retail Banking

Enhancing customer experience. Always with you.

In 2023, Retail Banking shone in the face of a challenging business environment characterized by unprecedented high interest rates. The Division overcame suppressed credit growth and stressed margins to increase its deposit base and achieve double-digit growth in consumer loans.

Retail Banking stepped up as an even stronger contributor to Riyadh Bank's bottom line this year, contributing to 35% of the Bank's overall net loans and advances.

The Division continued to grow its assets and liabilities significantly, responding to a market shift from NIBs to savings and term deposits. Retail liabilities registered a growth of 9% by December 2023 year on year, while consumer lending grew by 5% year on year. Mortgage lending was the Division's prime product again with 11% growth in 2023. Overall, Retail Banking increased its customer base by 10% year on year by December 2023.

Improvements in customer service were significant, with improvements across the board in customer net promoter scores (NPS). The Call Centre NPS increased to 26% in 2023. Branches' NPS increased by 1%, while the ATM NPS climbed by 32%. The overall Retail Banking NPS grew by 10% since 2022.

All of Retail Banking's successes this year were backed by its exceptional human capital. The Division remained the largest segment of the Bank in terms of Staff, securing 75% in employee engagement index and 73% in employee satisfaction index in 2023.

Strategic Transformation

Retail Banking continued its strategic direction in line with the Bank's Transformation 2025 Strategy. The Division remained focused on digitalization and being the top choice retail bank for customers in the Kingdom, with the goal of sustainable customer acquisition and increased liability generation. Retail Banking also continued rolling out the Bank's new identity, strengthening and improving its image with the iconic Riyadh Bank logo and upgraded branch exteriors and interiors.

Digitalization and Innovation

Digitalization served as the core foundation of all strategic initiatives for Retail Banking to attain its competitive edge, maximize customer value, and further grow liability and assets market share. Efforts put forth since the launch of the Transformation 2025 Strategy paid off this year with Retail Banking achieving a digital penetration rate of 53% as of December 2023.

On the digital front, we launched Phase 1 of the new Riyadh Bank Mobile app internally in December and it will be introduced to customers in 2024. The new app will include the full sales journey for consumer products, provide a marketplace offering versatile products and service, offer a personal financial management tool for customers, and provide after-sales services to support customers and enhance customer loyalty. This comprehensive and strengthened offering will bring Riyadh Bank closer to its ambition of offering the best mobile banking experience in the Kingdom.

This year, we also enabled a web-based solution for existing and external customers to apply digitally for Riyadh Bank's Al Hilal credit cards. Other innovative products launched this year included Fursan credit card, with infinite and signature variants to strengthen the Bank's travel propositions.

Retail Banking also enabled digital account opening for micro, small, and medium enterprises (MSMEs) in early 2023, with more digital propositions underway for this segment. Furthermore, we introduced digital safety deposit lockers for private and affluent banking, offering customers a unique experience for keeping their valuables safe.

Prior to 2023, Riyadh Bank launched the Kingdom's first standalone banking mobile app for children "Token", and in early 2023 Riyadh Bank commercially launched Bouki digital wallet that offers transfer, and remittance services. This year also saw the commercial launch of the Bancassurance business, which enables Riyadh Bank to sell insurance products through Riyadh Bank's channels.

Retail Banking neared completion of several flagship projects including Phase 1 of Riyadh Bank's disruptive digital solution for home purchases. For homeowners, we also collaborated with the Real Estate Development Fund (REDF) to introduce new mortgage product variants that promote REDF's new subsidy program.

Retail Banking accelerated in-branch digitization. This included establishing 100 self-service kiosks for customers to print their debit and credit cards, access account statements, and update their personal information. We also deployed mobile customer relationship management services for our Relationship Managers, Quick Service Officers, and auto leasing and direct sales agents. Furthermore, we executed our paperless project, covering personal loan and auto lease products, account opening, customer information amendments, account statements, and debit card services. At the end of 2023, we also reached the pilot phase for paperless transitions of credit card and mortgage loan products.

Transformative Partnerships

The Division initiated several strategic partnerships throughout the year. Riyadh Bank teamed up with the national home-owning organization Sakani, and national real estate developer Roshn, to offer a diversified homebuying solution, enrolling more than 200 developers to develop and construct residential units across the Kingdom such as in Roshen and Sedra. We also signed a strategic partnership with Al Hilal Saudi Football Club, launching the co-branded credit card as well as a branch in Al Hilal's club premises. Moreover, Riyadh Bank signed a Memorandum of Understanding with Savvy Gaming Group to further capitalize on the partnership with Al Hilal.

Supporting the Goals of Vision 2030

Retail Banking's strategic pillars have been carefully crafted and aligned with several key pillars of Saudi Vision 2030. As one of the leading banks in the Kingdom, we are at the forefront of the digital revolution and payment innovation, with our comprehensive suite of products, including Riyadh Bank's digital wallet "Bouki". We are helping families in Saudi Arabia to increase their household savings rate, especially with our tailored Islamic savings accounts. We are also promoting financial literacy with diversified financial planning and insurance products including Token and Bancassurance business line.

Our partnership with REDF is playing a pivotal role in increasing home ownership among Saudi citizens, as part of Vision 2030. In addition to our new digital solution for home purchases, we continue to offer diversified product variants, including self-construction, buyout, off-plan revamps, and land plus loan and mortgage refinance.

Increasing the contribution of MSMEs and the private sector to the Kingdom's GDP is also our priority. Following the launch of digital account opening for start-ups, we continue to sharpen our propositions for this evolving segment, with an eye on addressing multiple business segments and connecting a range of ecosystem players.

Private and Affluent Banking

This year, Private Banking and its highly qualified Relationship Managers served a high-net-worth individuals at its dedicated centers in Riyadh, Jeddah, and Al Khobar. This resulted in a 23% increase in customers compared to 2022. Total Private Banking deposits grew by 16% in December 2023, and total relationship value increased by 1% in December 2023.

Affluent Banking operated from 39 dedicated Diamond Banking centers and 144 Golden Banking offices across the Kingdom, with a specific focus on growing NIBs. Total Affluent Banking deposits increased by 5%.

Looking Forward to 2024

The year ahead is expected to remain highly competitive for Retail Banking, particularly along the digitalization front with new market entrants including fintech's. The Division will continue to invest and enhance its technological infrastructure and digital sales, services, and payment offerings to meet and exceed increasingly sophisticated customer expectations.

The new version of Riyadh Mobile will further strengthen our digital offerings and bring us closer to providing the best mobile banking app in the Gulf region. We will also enhance and expand the Bouki digital wallet proposition to include remittances and diversify its revenue stream. This year will see a major re-platforming of our digital channels, Riyadh Online and Public Website, with highly flexible, cutting-edge technologies that will improve turnaround time for product and service launches.

In 2024, we will continue to develop exciting new digital business models. For Affluent Banking, we will launch a fully digital proposition integrating family banking, digital wealth management, and customized product offerings. We will strengthen our family and youth value proposition via the Token platform with new add-on products and features, as well as a junior loyalty program. Furthermore, we will strengthen our digital platform for MSMEs, while offering business management solutions as well as integration with regulatory players in the ecosystem.

We will take the Al Hilal partnership to the next level in the year ahead with enhanced propositions, including a membership program and loyalty offerings. Our credit card offerings will expand to include the multi-currency card, Al Hilal card, and Dream card. We will also introduce new propositions for the Hassad+ loyalty program.

In addition to rolling out our new branch identity, we will continue to optimize and modernize our branch network. We will expand with new branches while relocating existing low-performing branches. Private Banking centers will expand their footprint, with new presence in major cities such as Qassim and Madinah. Universal bankers will become more preeminent as we integrate the roles of tellers and customer service representatives to improve efficiencies.

Riyad Bank will continue to digitize its branches, prioritizing higher-volume customer service and requests. The year ahead will see the implementation of a new, more efficient branch queuing system. We will move more customers to automated channels and implement key process improvements. Kiosks and Cash Acceptance Machines will be expanded by offering several services across alternative channels, including card issuance, statement printing, account updates and more. Digital authentication and paperless processes will also expand across our operations and services.

Corporate Banking

Empowering our corporate partners. Always with you.

Corporate Banking repeated its stellar strategic execution in 2023 to deliver outstanding value for our clients leading to exceptional results. The Division stepped up to opportunities, ranging from micro, small, and medium enterprises (MSMEs) to giga projects, and accelerated digital transformation and innovation to deliver another year of record-breaking growth.

Corporate Banking assets increased by 15% in 2023 from SAR 162 Bn. to SAR 186 Bn. Total operating income amounted to SAR 8.4 Bn., a dramatic improvement of 32% compared to SAR 6.4 Bn. in 2022. Net special commission income increased by 38% year on year to SAR 6.6Bn., while fees and other income increased by 13% to SAR 1.8 Bn.

Operating expenses totaled SAR 2.8 Bn. for 2023, a 53% increase due to the increase in provisions for Corporate Banking, which increased to SAR 1.5 Bn., an increase of 101% compared to 2022. Corporate Banking's net income saw a 23% growth, from SAR 4.5 Bn. in 2022 to SAR 5.6 Bn. in 2023.

In 2023, Corporate Banking earned 62% of Riyadh Bank's total income, compared to 58% in 2022.

Delivering on the Kingdom's Vision

Corporate Banking was once again a key player in supporting Saudi Vision 2030 by financing and participating in a range of strategic activities that will expand economic growth and create jobs across the Kingdom. The Bank took on roles such as lead arranger, agency, and account bank on initiatives related to giga projects, infrastructure, public-private partnerships, social impact, and tourism and entertainment. Its commitments total SAR 21.2 Bn., more than 80% of which was committed this year. Examples of participation include infrastructure projects related to the Jafurah CoGeneration KEPCO and Jafurah IWP (Mowah, Lamar & Al Bawani).

Furthermore, Corporate Banking continued to cater exclusively to government entities' Vision 2030 targets. It also dedicated a business segment, offering a full suite of banking products and services for government and public sector entities.

Corporate Banking activated agreements with multiple government partners this year. Riyadh Bank served as the exclusive partner to the Saudi Industrial Development Fund, to launch a working capital support program that boosts the manufacturing, mining, and power sectors.

Corporate Banking was also a leader in supporting the Kingdom's sustainability agenda by funding 22 renewable and green projects in power and water. The total value of these green projects is SAR 105 Bn., with Riyadh Bank contributing SAR 23 Bn. Examples include the Neom Green Hydrogen Project. The Division's efforts to target the MSME segment was also part of its strategy to deliver impactful corporate social responsibility practices.

As part of continuous digital enablement, Riyadh Bank entered into an agreement with Saudi technology company BwaTech to provide digital services to the beneficiaries of letters of guarantee. This one-of-a-kind integration supports strategic clients such as the Saudi Electricity Company and the Ministry of

Industry and Mineral Resources to perform services such as amendments and confiscation without submitting physical documents to the banks.

We also collaborated with the Ministry of Human Resources on the development of its electronic employment contracts system, QIWA. Riyadh Bank supports the platform by accepting and managing the full digital payment cycle.

Green Projects Funded in 2023

Total #: 22

Total Project Costs: SAR 105 Bn.

Total Riyadh Bank Participation: SAR 23 Bn.

Digital Transformation for the Future

As part of the Bank's Transformation 2025 Strategy, Corporate Banking continued to expand its digital footprint, with approximately 90% of financial transactions from our corporate customers being initiated and completed end-to-end digitally. This is largely due to enhanced capabilities under our Global Transaction Banking (GTB) franchise, which covers cash management, merchant acquisition, corporate cards, and trade finance.

Corporate Banking introduced multiple digital offerings and enhancements this year – externally for clients and internally for Relationship Managers to improve operational efficiencies. New digital products included Riyadh Access, an application programming interface (API) marketplace supporting businesses to find the right APIs for their needs. We also launched the Petty Cash Card, which is a prepaid expense card for corporate customers that helps in managing the payments of expenditure either through eCommerce or physical card payments at an ATM or PoS, which led to 38% growth in the numbers of card issued.

With financing being the core of our business, Corporate Banking focused on end-to-end digitization for various types of loans, to reduce turnaround time, especially for Islamic medium- and long-term loans. We also enabled branchless account opening for corporate clients, where customers do not need to leave their premises. Automation of Murabaha deals eliminated manual and cumbersome tasks related to commodities deal booking. We also implemented end-to-end process automation for call accounts including dynamic pricing and threshold monitoring with notional pooling. Finally, we employed machine learning to automate the checking of documents for trade finance.

Implementation of the RM Workbench has revolutionized the work of Relationship Managers. The digital platform leverages advanced analytics models to help them generate valuable opportunities and achieve their targets more efficiently. Additionally, the platform facilitates collaboration among Relationship Managers, enabling them to share knowledge, strategies, and best practices, leading to improved overall performance. RM Workbench has become an invaluable tool for the Division, driving growth, optimizing resources, and maximizing profitability.

We also enhanced merchant acquiring solutions by introducing branch instant delivery of Point of Sale (PoS) devices for better swift services, which allowed branch customers to apply, complete the paperwork, and get the device instantly from the branch. We also launched an innovative and exclusive dual screen device, a first in the Saudi market, that enabled a better user experience and a reduced rate of error claims. Both of these participated in making Riyadh Bank a preferred choice for customers, resulting in a 26% growth in the number of devices issued.

Supporting MSMEs

As part of the Bank's Transformation 2025 Strategy and the Saudi Vision 2030 focus on growing the private sector, Corporate Banking further established itself as a key player and promoter in the vital MSME ecosystem. According to the Saudi Central Bank's data, Riyadh Bank's Corporate Banking Division held 22% of the market for MSMEs in Saudi Arabia, as of the third quarter of 2023. This year, the Division reached its target of providing USD 1 Bn. in financing for telecommunications and information enterprises in only 7 months.

The Division expanded its franchise across the Kingdom to reach 45 branches for MSMEs. It also achieved an average credit approval turnaround time of 48 hours for 50% of MSME clients. Cross-selling activities with Retail Banking totaled 220 in 2023.

In 2023, Corporate Banking signed 8 new partnership agreements to support the ecosystem. These included agreements with the Monsha'at Tomoh program and the Royal Institute of Traditional Arts to help finance MSMEs. In total, we held 5 joint workshops with partners, such as the Al Madinah Chamber of Commerce and Industry.

MSME Milestones

- 22% Market share for MSMEs in Saudi Arabia.
- USD 1 Bn. in financing for telecommunications enterprises.
- 8 New partnership agreements.
- 5 Joint workshops with partners.
- 220 Cross-selling activities with Retail Banking.

Awards and Achievements

The Corporate Banking Division helped Riyadh Bank to take home several awards and recognitions in 2023. These included:

- First ranking for the Kafalah MSME Finance Guarantee Program in terms of value of financing, guarantees, and beneficiary enterprises.
- The Global Trade Review Saudi Arabia 2023 'Sustainability in Trade' Award.

- Project Finance Institute (PFI) 'Middle East and Africa Utility Deal of the Year' for serving as mandate lead arranger and other agency roles for the USD 1.33 Bn. Red Sea Development Company utility project.
- PFI 'Middle East and Africa Public-Private Partnership Deal of the Year' for serving as mandate lead arranger, onshore security agent, and onshore bank account for 3 independent sewage treatment plants in Madinah that raised USD 700 Mn.
- PFI 'Middle East and Africa Public-Private Partnership Deal of the Year' for serving as coordinator, bookrunner, mandated lead arranger, onshore bank account, and an agency role for NEOM Helios, the first major international project for green hydrogen, worth USD 7 Bn.

Other achievements included obtaining a General Clearing Membership with the Saudi clearing company Muqassa. The membership will enable Riyadh Bank's new Securities Clearing product, to bring value to investment brokers from end-to-end in the Saudi Exchange and derivatives markets.

Looking Forward to 2024

Corporate Banking aims to maintain its growth trajectory in 2024 by continuing to offer our comprehensive suite of products with synergies across the Bank's business lines. At the same time, we will enhance and expand our existing and potential client base, as well as our partnerships with government entities and Saudi Vision 2030 initiatives.

We see a growing demand for financing driven by government diversification and privatization initiatives, as well as corporate and MSME growth and refinancing needs. Corporate Banking is poised to expand its asset base through diversification of assets and product development, to provide our clients with their desired service excellence.

The Division aims to maintain our strong and leading position in the MSME ecosystem by scaling our new digital platforms. Growing funding requirements of giga projects and related infrastructure investments will further expand our asset base.

Riyadh Bank also aims to be a key partner in helping corporate clients fight climate change. Saudi regulators are increasingly concerned about the effects of climate risk on financial markets and stability, as are other regulators around the world. Corporate Banking will seize the opportunity and mobilize financing to help corporate clients achieve their climate targets and net zero emissions goals.

Treasury and Investment

Securing landmark transactions. Always with you.

The Treasury and Investment Division was a key contributor to Riyadh Bank's profitable growth this year, as we managed the Bank's liquidity and proprietary investments and provided a wide range of products and hedging solutions to our corporate and retail customers. Considering the current high market volatility, we provided the most innovative financial solutions to our clients in a bid to ease the financial burden arising from the high interest rate environment.

In 2023, Treasury and Investment accounted for 16% of Riyadh Bank's total operating income. The Division contributed SAR 1,512 Mn. of net special commission income as compared to SAR 1,003 Mn. In 2022. Treasury and Investment's contribution to commission income of the Bank stood at SAR 998 Mn.

At the end of 2023, Investments, net stood at SAR 58 Bn., a 11% increase compared to SAR 52 Bn. at the end of 2022. Meanwhile, total liabilities were SAR 43 Bn., a 62% increase compared to SAR 26 Bn. the previous year.

Landmark Deals and Results

Treasury and Investment mitigated risk on the Bank's investment portfolio in 2023 by raising cash levels before the onset of interest rate rises and actively managing the hedges. Foresight and prudent decision making helped to protect a significant part of the Bank's portfolio value throughout the year.

Major deals included raising a syndicated senior unsecured term facility amounting to USD 1.2 Bn. with a group of international banks. This landmark inaugural financing for a period of 3 years was achieved on competitive terms, with a margin of 85 basis points over the SOFR index. The deal demonstrates Riyadh Bank's abilities and strong standing in the financial market. It will also support the Bank to grow and diversify its funding base.

Riyadh Bank continued to expand its market share in the local derivatives market in 2023, becoming a prominent hedge provider and one of the largest players in the market. This was solidified with the closing of a mega SAR interest rate swap, whereby the Bank acted for the first time not only as a hedge provider but also as a hedge coordinator. The deal highlights Riyadh Bank's capability to provide its clients with the most competitive pricing and hedging solutions.

Strategic Progress

In 2023, Treasury and Investment carried out a significant organizational revamp to align with business growth and regulatory shifts. Strategic changes across the Division will help us to instill a customer-centric approach matched to the regional market, as well as to improve execution and risk controls. Specifically, the decentralization of the regional Global Markets team into Central, Eastern, and Western will help us to better respond to customers' needs in each region, resulting in improved market share and profitability, along with higher levels of customer service.

This year, we also continued to develop and maintain beneficial relationships with domestic and international banks. We executed several new treasury relationship master agreements with key players, and currently have several more in the advanced execution stage. These relationships and agreements will offer Riyadh Bank wider market access as well as improved product pricing, supporting its growth in the years ahead.

Finally, in 2023 we completed the Interbank Offered Rate Transition Project to fully align with international regulatory standards, supporting our strategy to be the Kingdom's Bank of Choice.

Supporting Vision 2030

This year, we continued to actively align with and support Saudi Vision 2030. Treasury and Investment actively contributed to the hedging of loans associated with Vision-related energy projects. We also participated in buying alternative energy sector bonds to help the Kingdom reach its sustainability targets.

Riyadh Bank executed the first mortgage collateralized deposit to support a government entity in its mandate to provide liquidity and facilitate access to sustainable financing solutions for homebuyers in the Kingdom. Furthermore, we participated in a strategic partnership with a government fund to create a portfolio-linked deposit program and execute its first deal. The new program will help to sustain and expand the fund's reach, covering promising sectors such as industry, energy, mining, and logistics.

Transformation 2025

Treasury and Investment made headway in the Bank's Transformation Strategy 2025, which aims to create value through innovation and digitization. We continued to develop bespoke financial solutions for our clients.

We also expanded our digital RBFX platform for corporate customers to focus more on client needs, with a 24/7 service capability to improve their banking experience. In addition, we worked closely with our internal Stakeholders to finalize the blueprint for strategic initiatives to further boost Corporate and Retail Banking cross-selling opportunities.

Furthermore, the Bank embarked on a strategic project to develop a more robust and integrated treasury platform to serve its growth aspirations. The new platform will transform, modernize and unify the existing heterogeneous treasury systems across the treasury front, middle, and back offices.

A Positive Outlook for 2024

After a challenging 2023 on the back of global inflationary pressure, rate hikes, geopolitical uncertainties, and major regional and global conflicts, we expect the market environment to begin normalizing in 2024. Treasury and Investment will continue to redeploy the cash available for investments gradually and opportunistically, while enhancing the portfolio yield and efficiently managing the risks.

We have significant plans for the year ahead. These include improving cross-selling to include small and medium enterprises (SMEs), private banking, and providing financial hedging solutions to external corporate customers. We will also launch new financial solutions, in the Saudi market, as well as gold trading services. Aligned with these launches, we aim to expand customer acquisition with a focus on

SME clients, as well as private banking and family office customers. We will also extend our state-of-the-art RBFX platform across different retail channels to further improve customer experience.

In 2024, we will assess the liquidity requirements and plans for the Bank's 2 funding programs – the local SAR program and the USD Euro Medium-Term Note (EMTN) program. Furthermore, we will embark on additional initiatives to diversify funding by utilizing appropriate tools, subject to market conditions.

Awards and Recognitions

Bank Treasury and Funding Team of the Year 2022*

By GFC Media Group

Regulatory Capital Deal of the Year 2022*

By Islamic Finance News

*received in 2023

Subsidiaries

Diversifying our portfolio. Always with you.

Division	Capital (SAR)	Total Shares	Ownership %	Main Activity
Riyad Capital	500,000,000	50,000,000	100%	Carrying out trading activities as principal and agent, undertaking coverage, establishing investment funds and portfolios and managing them, in addition to arranging and providing consulting, stock keeping services, portfolio management, and trading.
Ithra Al Riyad Real Estate	10,000,000	1,000,000	100%	Keeping and managing assets provided by customers as collateral and a guarantee, and the sale and purchase of real estate for financing purposes for which the Company was established.
Riyad Company for Insurance Agency	500,000	50,000	100%	Working as an agent selling insurance products, including their own and those managed by other main insurance companies.
Curzon Street Properties Limited	9,350,760	2,000	100%	Owning properties.
Riyad Financial Markets Limited	187,500	50,000	100%	Implementing financial derivative transactions and repurchase agreements with international parties on behalf of Riyad Bank.
Riyad Esnad Company for Human Resources	500,000	500,000	100%	Providing operational human resources services exclusively for Riyad Bank and its subsidiaries.
Jeel Digital Innovation Company	100,000,000	100,000,000	100%	Supporting the Bank building and developing innovative digital and technical solutions.

Ithraa Riyadh Real Estate Company

Ithraa Riyadh is a limited liability company, wholly owned by Riyadh Bank. Registered in Saudi Arabia and headquartered in Riyadh, the Company provides services for holding and managing the discharged assets of the owner and others, including guarantees, as well as the sale and purchase of real estate.

Curzon Street Properties Limited

Curzon Street Properties Limited is a wholly owned subsidiary of Riyadh Bank and incorporated in the Isle of Man for the specific purpose of owning real estate in the United Kingdom.

Riyadh Financial Markets Limited

Riyadh Financial Markets Limited is licensed in the Cayman Islands, and specializes in implementing derivative transactions and repurchase agreements with international parties on behalf of Riyadh Bank.

Riyadh Company for Insurance Agency

Riyadh Insurance Agency, is a limited liability company, wholly owned by Riyadh Bank. Registered in Saudi Arabia and headquartered in Riyadh, the Company markets and sells insurance products, that are provided by the Al Alamiya Insurance Company, to Riyadh Bank and its individual and corporate clients.

Riyadh Esnad Company for Human Resources

Established in 2020, Riyadh Esnad Company for Human Resources is a limited liability company, wholly owned by Riyadh. Registered in Saudi Arabia and headquartered in Riyadh, the Company provides operational human resource services exclusively for Riyadh Bank and its subsidiaries, with the aim of reducing costs and risks to the Bank.

Riyadh Capital

During 2023, Riyadh Capital continued to build on its strong standing and proposition in the market, launching new services and technologies, playing key roles in various transactions, and introducing a range of successful investment funds.

New investment services were introduced to strengthen the Company's position in financial markets, including the launch of the daily margin financing product, Advanced Order Service, in the Saudi market, and a redesigned website to better meet customer expectations. Additionally, the new Riyadh Capital trading application for the Saudi market, along with the Riyadh Global application for international trading were launched.

The Riyadh Technology Fund, managed by Riyadh Capital, successfully completed a full exit from Beehive, yielding returns approximately twice the fund's total investment in the Company. Simultaneously,

other bold capital funds managed by the Company continued deploying capital by investing in various local and international companies across a range of sectors.

The Company introduced a series of successful investment funds during the year, including the Riyadh Capital Fund 3, the largest direct financing fund in the market with a value of SAR 1 Bn., and the Riyadh Monthly Distributions Fund, the first private fund investing in money markets with monthly distributions exceeding SAR 1.3 Bn.

Building on its advisory and management track record for offerings and listings, Riyadh Capital led the capital increase for Nadeq, serving as the financial advisor and coverage contractor for the offering valued at SAR 2 Bn.

Riyadh Capital further solidified its position as a major player in securities custody services, with assets under custody exceeding SAR 260 Bn., ranking first among local custodians in asset volume and second overall. The Company will continue to expand its services and products in this field.

Jeel Digital Innovation Company

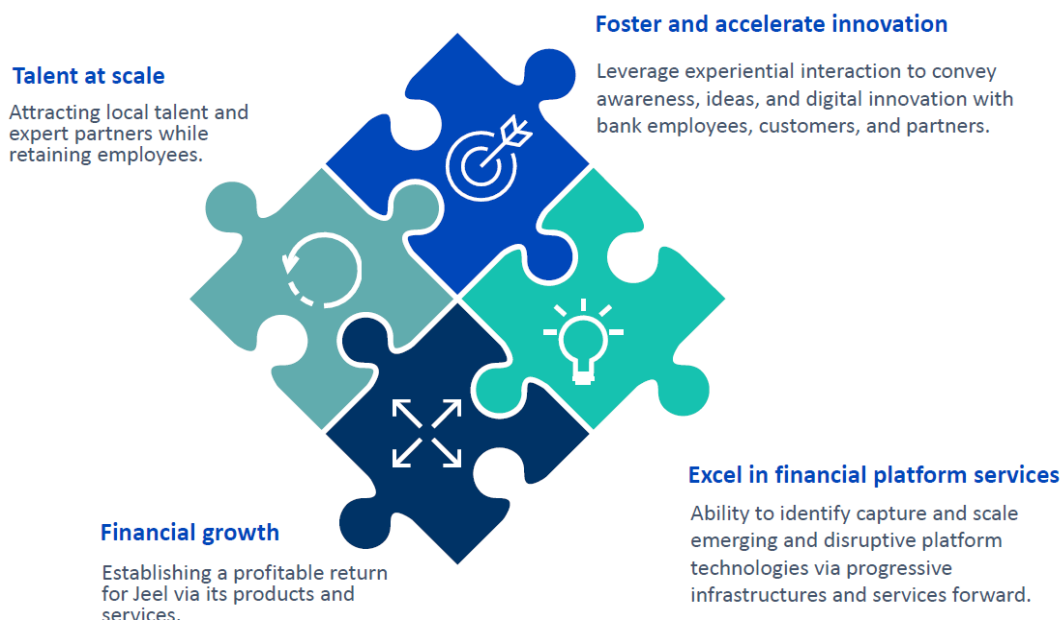
This year, Riyadh Bank successfully launched its innovation hub, Jeel. Jeel is a digital innovation enabler, driving impact in the financial technology sector by empowering financial institutions, fintech's, and technology aspirers, while fostering thought leadership, emerging technology, and research and development.

Jeel provides dedicated space and resources for employees to explore new ideas, experiment with cutting-edge technologies, and develop innovative solutions to address real-world challenges. Through Jeel's incubator and accelerator, participants undergo a comprehensive end-to-end process encompassing ideation, design, development, testing, and scalable growth.

Riyadh Bank's establishment of Jeel demonstrates its firm commitment to innovation and a proactive investment in the future of digital transformation, particularly in driving advancements within the financial banking landscape. This dedication mirrors the crucial need to swiftly adapt to emerging technologies and trends.

Jeel's primary assets lie in its diverse talent base, which comprises global and local experts, well-versed in the digital innovation sector with a specific focus on the financial industry. It has also developed effective corporate governance through its Board of Directors, to achieve its long-term objectives and emphasize transparency, accountability, and ethical practices.

Jeel Strategy



The Jeel Brand

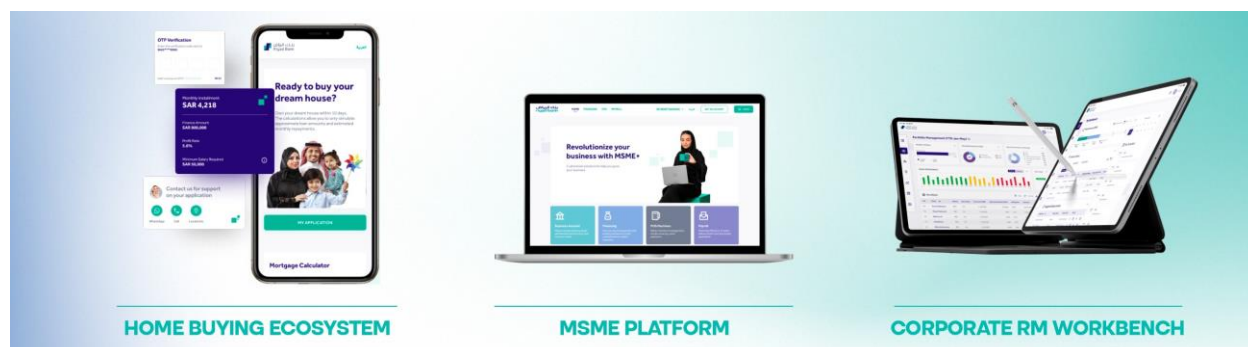
The Jeel brand embodies this vision of being at the forefront of the digital revolution, reflecting the core values of innovation, collaboration, empowerment, reliability, and aspiration. This year, Riyadh Bank fortified Jeel's brand equity and increased brand awareness within the Bank through continuous internal communications. Jeel's participation in the Seamless Saudi Arabia conference generated high-quality leads for future databases and raised online public awareness with more than 900,000 impressions. Moreover, Jeel fostered an innovation culture through its TekTalk sessions, achieving a 93% satisfaction rate from more than 150 attendees.

Innovative Projects

Jeel engaged in several strategic projects aimed at evaluating the digital effectiveness of Riyadh Bank and its overall impact on performance. These included the launch of Open Banking: Pilot OB UK Standards and Certified OB KSA Standards for account information services, successful analysis and development of a minimum viable product for WSL Fintech Banking Foundation, creation of the Digital Maturity Index Portal, and the implementation of DevOps tools. Furthermore, Jeel launched the Digital Insights Application Phase I, introducing a mobile platform for exclusive finance and tech content sharing. Additionally, Jeel transformed 3 ideation prototypes into interactive marketing showcases.

Disruptive Products and Services

This year, Jeel helped to introduce a line-up of innovative products and services for Riyadh Bank, designed to simplify banking and day-to-day business needs: The Corporate Relationship Manager Workbench, an AI-powered frontend enabling a step change in client relationships; Riyadh Bank's Micro, Small and Medium Enterprises Platform MSME, a one-stop solution to simplify banking and day-to-day business needs; and The Home Buying Ecosystem, a fully digitalized, easy to use ecosystem supporting customers across their home buying journey and brokers managing their business.



04 ESG Review

ESG Strategy and Framework

In 2023, Riyadh Bank maintained its focus and commitment to expanding and enhancing our market leading corporate social responsibility strategy and initiatives, which cover a wide range of Environmental, Social, and Governance (ESG) areas. We understand that sustainability and ESG are central to the future of our Bank, enabling us to maintain our position as a force for positive and continuous improvement in our sector while supporting the goals and ambitions of our people, customers, partners, communities, and the Kingdom of Saudi Arabia.

The scale and impact of our achievements in 2023 are a source of pride for the Riyadh Bank team. Collectively and individually, we all seek to contribute to progressing the Bank's CSR initiatives and impact in meaningful ways, in order to position the Bank as a respected and recognized leader in our sector.

Bukra: Our CSR Strategy

Riyadh Bank has a comprehensive and long-term corporate social responsibility strategy called Bukra, which is fully aligned with the best practices of the most important local, regional, and global frameworks, including Saudi Vision 2030 and the UN Sustainable Development Goals (SDGs).

Our Vision

To be a leading member of sustainable practices that would add value to employees, customers, Stakeholders, and the whole community of Saudi Arabia.

Our Mission

To deliver quality corporate social responsibility practices with impactful values and benefits in alignment with the Bank's strategy and operations, the United Nations Sustainable Development Goals (UNSDGs), and the Kingdom's 2030 Vision.

Our Objectives

- Align our practices with The Guidance on Social Responsibility (ISO 26000), Accountability Principles Standard (AA1000), The Global Report Initiative (GRI), and the UN Global Compact.
- To be nationally and globally recognized for our professional and collaborative approach to enhance the environment, education, market, and the community for our Bank's employees and our society.
- Measure the impact of our programs internally and externally, prepare reports, and share our insights and statistics.
- To have a role in the community service programs Kingdom-wide and achieve our goals of involving our employees to lead the Bank into success, locally and globally.
- To be diverse, inclusive, transparent, and accountable in our projects and practices.

Our focus in 2023 was to continue to launch and build on our successful programs to enhance environmental protection and sustainability. We accelerated the quality or quantity of our previous commitments, reaching over 830,000 individuals benefiting from our CSR program.

We continued to build capabilities and momentum by executing our Bukra strategy in line with our vision and the goals of Vision 2030. We aim to reinforce our position as a leading financial institution in corporate sustainability in the Kingdom, creating lasting value for all our employees, customers, stakeholders, and the wider community.

With Bukra, the Bank is targeting the following UNSDGs:



Our Sustainable Finance Framework

Riyad Bank contributes to the achievement of Vision 2030 through its role in financing and accelerating the energy transition and driving a new wave of investment in line with the Kingdom's goal to achieve net zero emissions by 2060.

The Bank's Green and Renewable Banking offering is the cornerstone of its efforts in this regard. During 2023, the Bank's net green and renewable loan commitments grew by over SAR 16 Bn. and it disbursed circa SAR 6.8 Bn, net of repayments.

Our Approach to Corporate Social Responsibility

Riyad Bank's Corporate Social Responsibility Vision is to be the regional leader in sustainable practices that adds value to employees, customers, Stakeholders, and the communities across Saudi Arabia.

Riyad Bank delivers impactful corporate social responsibility practices integrated into the Bank's Strategy and Operations. The vision is outlined and driven through the Bank's Bukra Strategy, which is also aligned to the Ten Principles of the UN Global Compact and the UN Convention on the Rights of Persons with Disabilities.

Sustainability Governance

The CSR Committee is headed by the Chairman, and also includes Riyad Bank's CEO, Chief Experience Officer (CXO), and representatives of the Bank's divisions. The Committee, under the Communications

and Customer Experience Division, oversees the strategy and its implementation. It also sets standards and targets, determines new initiatives, and reviews and assesses ongoing programs and projects.

Safeguarding Our Environment

Riyad Bank has emerged as a leader in environmental responsibility in Saudi Arabia, embracing a multifaceted approach to sustainability that is not only environmentally conscious but also proactive. From organizing tree planting events where thousands of trees were planted, to initiating recycling campaigns, and pledging to plant trees for every goal scored by Al-Hilal, the Bank's green initiatives were both diverse and impactful.

Goal Initiative: As part of our partnership with Al-Hilal, we introduced an environmentally conscious initiative under the Bukra program with a commitment to plant 100 trees for every goal scored by Al-Hilal. This resulted in sports being combined with environmental action, and physical health and ecological awareness being achieved through the tree planting. In the Saudi Roshan League, Al-Hilal scored 46 goals, which equates to 4,600 trees planted.

Bukra Nursery Initiative: This year, Riyad Bank continued to make strides towards its ambitious goal: to plant 4 million trees by 2030. This initiative not only serves as a testament to the Bank's long-term commitment to the environment but also positions it as a frontrunner in the region's green movement. With every tree planted, the Bank takes a step forward in reducing carbon emissions and fostering biodiversity.

Recycling and E-Waste Management: Riyad Bank championed recycling with comprehensive campaigns across its premises. The "Reduce With Us" initiative, in collaboration with MCIT and the Ertiqā Association, emphasized the importance of e-waste recycling, reducing the environmental impact of discarded electronics.

Energy Efficiency: Achieving a remarkable 25% reduction in electricity consumption, the Bank showcased its commitment to energy conservation and reducing its carbon footprint.

Spreading Environmental Awareness: Through seminars, like the one focused on the challenges of desertification, Riyad Bank educated its community about pressing environmental issues and potential solutions.

Supporting Our Society

In line with our Bukra Strategy, Riyadh Bank continued to contribute to the betterment of our communities and society through a wide range of strategic partnerships, investments, programs, and initiatives.

Bukra Forum for Social Responsibility: We launched the first Social Responsibility Forum with the participation of internal and external CSR Stakeholders which entailed various types of activity, including discussion sessions, and workshops. The Forum delved into various topics, including aligning business strategies with sustainable goals, potential areas for cross-sector collaboration, and the importance of financial safety. This fostered a deeper understanding of CSR and encouraged wider collaboration on social responsibility initiatives.

Ramadan Campaign: We collaborated with Alhilal Foundation and Rikaez Altfaul Foundation to distribute 25,000 food baskets to 198 associations across the Kingdom.

Ramadan Meals Distribution: In cooperation with Ekram Society for food preservation in Mecca, we distributed 700,000 meals during Ramadan by redeeming food surplus in Mecca. With over 2,000 volunteers and 220 tons of food waste saved, this initiative saved over SAR 3 Mn. and benefited over 600,000 people in need.

The Innovation Challenge: We launched The Innovation Challenge initiative in collaboration with Saudi CSR, which aims to initiate projects and stimulate creative innovation in technology, cyber security, and digitalization for the younger generation. Over 100,000 people benefited through courses provided by experts, and gained meaningful insights into the fields of technology, cyber security, and social entrepreneurship.

IMPACTHON Social Investment Challenge: We launched an initiative in collaboration with the Non-Profitable National Center, which aims to explore the most prominent social issues, and propose sustainable innovative solutions. In total, over 1,000 entrepreneurs took part across 13 main cities, providing over 4,000 ideas in 9 fields, with 10 projects winning prizes for their innovative ideas. The Center will introduce the accelerator program for these projects and secure the necessary funds for their implementation.

World Blood Donor Day: We conducted the campaign in 6 main cities – Riyadh, Jeddah, Dammam, Jazan, Najran, and Al-Hasaa – to contribute to the availability of blood in healthcare facilities, enhancing community health and preparedness. We achieved our target of 800 donors, of which 483 were during the World Blood Donor Day campaign in June.

Achievements and Recognition: In 2023, significant achievements were achieved for Riyadh Bank Academy, including renovations in Western and Eastern Regions and the near completion of the KAFD branch. In addition, Riyadh Bank continued to raise standards and receive recognition for its CSR efforts throughout the year. We received ISO 26000 certification in social responsibility and won awards at events including LEAP 2023, a leading international tech event hosted in Riyadh. This further cemented our position as a frontrunner in CSR.

Empowering our People

Riyad Bank continues to stand out as a leader in employee engagement and empowerment in the Kingdom. The Bank's comprehensive approach, reflected in its various initiatives, including the "Empowering Women" initiative, underscores its commitment to nurturing a skilled and satisfied workforce.

Learning and Development: We successfully launched the Riyadh Bank Academy in Al-Khobar, providing 175 extended training opportunities for employees across the region. We also improved training accessibility, with 100% of Head Office employees receiving training invitations and our HiPers program achieving an 82% training penetration rate, ensuring our top talent has access to critical development opportunities.

Organization Culture and Employee Experience: We achieved a 97% participation rate in our 2023 Employee Engagement and Satisfaction survey, demonstrating strong employee engagement in shaping the Bank's culture. We conducted nationwide roadshows, which saw our engagement team visiting 119 branches, connecting with over 3,146 employees, and gathering valuable feedback. We implemented 49 solutions to improve the employee experience, including revamping the KAFO recognition program, enhancing Careem service, and launching our alumni network to connect current and former employees.

Compensation and Benefits: We introduced a new Retail Banking Incentive Scheme: "Credit cards outbound for instalment payment plans" that motivates employees and drives performance.

Incentive programs for employees and their related movement during 2023			
Statement	Investment Saving (SAR '000)		
	Employee's Share	Bank's Share	Total
Balance at the beginning of the year	61,313	22,197	83,510
Deposits in 2023	19,242	6,151	25,393
Withdrawals in 2023	(16,064)	(4,316)	(20,380)
End-of-year balance	64,491	24,032	88,523

Diversity and Inclusion: We have increased female representation to 29% of the workforce, with 33% of new hires being female. Our endeavors to place more women in executive roles have led to 4 positions out of 14 having female representation, reflecting our commitment to fostering diversity and empowering women across all levels of our Bank.

Empowering People with Disabilities (PWDs): Throughout the year, the Bank actively championed the rights and inclusion of PWDs. From sponsoring job fairs to organizing specialized training courses and participating in forums, Riyadh Bank showcased its leadership in promoting an inclusive work environment. Through the Iqdam program, the Bank successfully hired 22 PWDs with the necessary skills and qualifications.

Collaboration with the Government: Through our Tamheer Training program, we welcomed 135 Saudi trainees. This led to 35 full-time hires and 65 currently undergoing training, demonstrating our commitment to developing Saudi talent. We also actively participated in career fairs and hosted internship programs, attracting, and nurturing future Riyadh Bank employees.

Governance

Members of the Board of Directors and its Committees

The Bank's Board of Directors

The Bank is overseen by a Board of Directors consisting of 10 members elected by the General Assembly every 3 years. In its current tenure, the Board comprises 5 Independent members and 5 Non-Executive members, as defined by Article 1 of the Corporate Governance Regulations issued by the Capital Market Authority. In 2023, the Board convened for 7 meetings, with a 100% attendance rate, considering both proxy attendees and those physically present.

Composition of the Board of Directors and Classification of its Members

	Member's Name	Position	Membership Classification	Representation
1	Abdullah Mohammed Al-Issa	Chairman of the Board of Directors	Non-Executive	-
2	Mutaz Kusai AlAzzawi	Vice Chairman of the Board of Directors	Independent	-
3	Ibrahim Hassan Sharbatly	Board Member	Independent	-
4	Jamal Abdul-Karim Al-Rammah	Board Member	Independent	-
5	Abdul Rahman Ismail Tarabzouni	Board Member	Independent	-
6	Omar Hamad Al-Madhi	Board Member	Non-Executive	Public Investment Fund
7	Mona Mohammed Al-Taweel	Board Member	Independent	-
8	Nader Ibrahim Al-Wehibi	Board Member	Non-Executive	-
9	Hani Abdullah Al-Johani	Board Member	Non-Executive	GOSI
10	Yasser Abdullah Al-Salman	Board Member	Non-Executive	Public Investment Fund

Board Meetings in 2023

Attendance Records of Board Members for 2023 Meetings, Including In-Person and Proxy Attendance								
	Member's Name	20.2.2023	26.03.2023	19.06.2023	18.07.2023	05.09.2023	05.11.2023	12.12.2023
1	Abdullah Mohammed Al-Issa	✓	✓	✓	✓	✓	✓	✓
2	Mutaz Kusai AlAzzawi	✓	✓	✓	✓	✓	✓	✓
3	Ibrahim Hassan Sharbatly	✓	✓	✓	✓	✓	✓	✓
4	Jamal Abdul-Karim Al-Rammah	✓	✓	✓	✓	✓	✓	✓
5	Abdul Rahman Ismail Tarabzouni	✓	✓	✓	✓	✓	✓	✓
6	Omar Hamad Al-Madhi	✓	✓	✓	✓	✓	✓	✓
7	Mona Mohammed Al-Taweel	✓	✓	✓	✓	✓	✓	✓
8	Nader Ibrahim Al-Wehibi	✓	✓	✓	✓	✓	✓	✓
9	Hani Abdullah Al-Johani	✓	✓	✓	✓	✓	✓	✓
10	Yasser Abdullah Al-Salman	✓	✓	✓	✓	✓	✓	✓

Committees Emanating from the Board of Directors

Riyad Bank's Board of Directors establishes specialized committees in compliance with the regulations set forth by the relevant authorities. These committees are instrumental in supporting the Board in fulfilling its duties and responsibilities, detailed hereunder, whenever needed.

1- Executive Committee

Main Duties and Responsibilities

The Executive Committee holds the credit, banking, financial, and administrative authorities within the Bank, entrusted by the Board of Directors. Comprising 5 members, it convened for 12 meetings in 2023, with an attendance rate of 100%.

Executive Committee Meetings in 2023

Attendance Records of Executive Committee Members at 2023 Committee Meetings										
	Member's Name	Position	10.01.2023	02.03.2023	21.03.2023	16.04.2023	07.05.2023	05.06.2023	16.07.2023	21.08.2023
1	Nader Ibrahim Al-Wehibi	Chairman	✓	✓	✓	✓	✓	✓	✓	✓
2	Mutaz Kusai AlAzzawi	Member	✓	✓	✓	✓	✓	✓	✓	✓
3	Mona Mohammed Al-Taweel	Member	✓	✓	✓	✓	✓	✓	✓	✓
4	Abdul Rahman Ismail Tarabzouni	Member		✓	✓	✓	✓	✓	✓	✓
5	Yasser Abdullah Al-Salman	Member	✓	✓	✓	✓	✓	✓	✓	✓

Attendance Records of Executive Committee Members at 2023 Committee Meetings						
	Member's Name	Position	14.09.2023	15.10.2023	21.11.2023	03.12.2023
1	Nader Ibrahim Al-Wehibi	Chairman	✓	✓	✓	✓
2	Mutaz Kusai AlAzzawi	Member	✓	✓	✓	✓
3	Mona Mohammed Al-Taweel	Member	✓	✓	✓	✓
4	Abdul Rahman Ismail Tarabzouni	Member	✓	✓	✓	✓
5	Yasser Abdullah Al-Salman	Member	✓	✓	✓	✓

2 - Audit Committee

Main Duties and Responsibilities

The responsibilities of the Audit Committee encompass overseeing financial reporting, ensuring compliance with laws and regulations, monitoring the effectiveness and efficiency of the internal control system, recommending auditors, examining and reviewing interim and annual financial statements, and providing recommendations to the Board of Directors regarding these statements.

The Audit Committee comprises 5 members, with 3 external members: Mr. Tariq Abdullah Al-Qaraawy, Mr. Eid Faleh Al-Shamri, and Dr. Waddah Ibrahim Al Sheikh Mubarak. Its establishment was decided upon

by the General Assembly on 23 October, 2022. During 2023, the Committee conducted 9 meetings, maintaining an attendance rate of 100%.

Audit Committee Meetings in 2023

Attendance Records of Audit Committee Members at 2023 Committee Meetings										
	Member's Name	Position	12.02.2023	29.03.2023	01.05.2023	29.05.2023	18.07.2023	12.09.2023	19.10.2023	14.11.2023
1	Jamal Abdul-Karim Al-Rammah	Chairman	✓	✓	✓	✓	✓	✓	✓	✓
2	Mona Mohammed Al-Taweel	Member	✓	✓	✓	✓	✓	✓	✓	✓
3	Tariq Abdullah Al-Qaraawy	External Member	✓	✓	✓	✓	✓	✓	✓	✓
4	Eid Faleh Al-Shamri	External Member	✓	✓	✓	✓	✓	✓	✓	✓
5	Waddah Ibrahim Al Sheikh Mubarak	External Member	✓	✓	✓	✓	✓	✓	✓	✓

Attendance Records of Audit Committee Members at 2023 Committee Meetings			
	Member's Name	Position	26.12.2023
1	Jamal Abdul-Karim Al-Rammah	Chairman	✓
2	Mona Mohammed Al-Taweel	Member	✓
3	Tariq Abdullah Al-Qaraawy	External Member	✓
4	Eid Faleh Al-Shamri	External Member	✓
5	Waddah Ibrahim Al Sheikh Mubarak	External Member	✓

3 - Risk Management Committee

Main Duties and Responsibilities

The Risk Management Committee supports the Board of Directors in fulfilling its responsibilities by comprehensively overseeing the Bank's risk strategy. This involves reviewing acceptable risk thresholds, providing recommendations to the Board, and monitoring the Executive Management's adherence to the risk limits approved by the Board. In this capacity, the Committee may review all facets and categories of risks faced by the Bank, assess the Executive Management's adherence to the regulatory controls governing these risks, and verify the sufficiency of the measures implemented to mitigate them. The Risk Management Committee is composed of 3 members, with Eng. Abdul Latif Ali Al-Rasheed as an external member. Throughout 2023, the Committee held 6 meetings with an attendance rate of 100%.

Risk Management Committee Meetings in 2023

Attendance Records of Risk Management Committee Members at 2023 Committee Meetings								
	Member's Name	Position	13.02.2023	11.04.2023	13.06.2023	07.08.2023	08.10.2023	19.12.2023
1	Hani Abdullah Al-Johani	Chairman	✓	✓	✓	✓	✓	✓
2	Jamal Abdul-Karim Al-Rammah	Member	✓	✓	✓	✓	✓	✓
3	Abdul Latif Ali Al-Rasheed	External Member	✓	✓	✓	✓	✓	✓

4 - Nomination and Remuneration Committee

Main Duties and Responsibilities

The Nomination and Remuneration Committee assists the Board of Directors in governance matters and formulates a compensation policy for Board members, Committee members, and senior Management officials. It conducts regular policy reviews to assess its adequacy, effectiveness, and alignment with defined objectives, ensuring compliance with regulations set by the Central Bank of Saudi Arabia. Furthermore, the Committee evaluates different compensation payment methods.

The Nomination and Remuneration Committee establishes the nomination and selection policy for Board membership, ensuring compliance with the statutory requirements outlined in relevant regulations. The Committee consists of 5 members, including 2 external members, namely Eng. Ahmad Mohammed Al-Falih and Mr. Ali Ahmed Al-Ghamdi, and it held 5 meetings in 2023, with a 100% attendance rate.

Nomination and Remuneration Committee Meetings in 2023

Attendance Records of Nomination and Remuneration Committee Members at 2023 Committee Meetings							
	Member's Name	Position	16.02.2023	24.08.2023	02.10.2023	30.10.2023	09.11.2023
1	Mutaz Kusai AlAzzawi	Chairman	✓	✓	✓	✓	✓
2	Nader Ibrahim Al-Wehibi	Member	✓	✓	✓	✓	✓
3	Omar Hamad Al-Madhi	Member	✓	✓	✓	✓	✓
4	Ahmad Mohammed Al-Falih	External Member	✓	✓	✓	✓	✓
5	Ali Ahmed Al-Ghamdi	External Member	✓	✓	✓	✓	✓

5- Strategic Planning Group

Main Duties and Responsibilities

The Strategic Planning Group oversees the formulation of the Bank's strategic directions while monitoring and evaluating progress towards achieving strategic objectives. It extends crucial support to the Board of Directors in strategic planning processes and strategic matters like business development and expansion. Additionally, the Group monitors the Bank's advancement towards its long-term financial and strategic objectives. The Group consists of 5 members, and it held 2 meetings in 2023, maintaining an attendance rate of 100%.

Strategic Planning Group Meetings in 2023

Attendance Record of Strategic Planning Group Members at 2023 Group Meetings				
	Member's Name	Position	22.03.2023	28.11.2023
1	Abdullah Mohammed Al-Issa	Chairman	✓	✓
2	Ibrahim Hassan Sharbatly	Member	✓	✓
3	Abdul Rahman Ismail Tarabzouni	Member	✓	✓
4	Omar Hamad Al-Madhi	Member	✓	✓
5	Hani Abdullah Al-Johani	Member	✓	✓

Board of Directors

	Member's Name	Memberships in Other Listed Joint Stock Companies (inside the Kingdom)	Current Positions	Previous Positions	Qualifications
1	Abdullah Mohammed Al-Issa	<ul style="list-style-type: none"> - Chairman of the Board of Directors - Riyadh Bank 	<ul style="list-style-type: none"> - Chairman of the Board of Directors - Assila Investment Company - Chairman of the Board of Directors - Amias Holding Company - Chairman of the Board of Directors - Amias Real Estate Company - Chairman of the Board of Directors - Shipping and Travel Services Company Ltd. 	<ul style="list-style-type: none"> - Chairman of the Board of Directors - Abdullah Mohammed Al-Issa Engineering Consulting Office - Vice Chairman of the Board of Directors Clariant Switzerland - Board Member - Saudi Basic Industries Corporation (SABIC) - Chairman of the Board of Directors - Dur Hospitality Company - Vice Chairman of the Board of Directors - Etihad Telecom Company (Mobily) - Board Member - Saudi Arabian Mining Company (Maaden) - Chairman of the Board of Directors - Arabian Cement Company - Chairman of the Board of Directors - The National Medical Care Company - Chairman of the Board of Directors - Cement Products Industries Company - CEO - Assila Investment Company - Chairman of the Board of Directors - Saudi Company for Construction Contracting - Board Member - Jadwa Investment Company - Board Member - Saudi 	<ul style="list-style-type: none"> - Master of Science in Engineering Project Management - Southern Methodist University, USA - Bachelor of Industrial Engineering - Southern Methodist University, USA

				Company for Hotels and Tourist Areas - Board Member - Gulf Tourist Areas Company - Board Member - King Faisal Schools - Board Member - National Chemical Carriers Company - Board Member - Tabuk Hotels Company - Board Member - Riyadh Hotels and Entertainment Company Ltd. - Board Member - The National Shipping Company of Saudi Arabia	
2	Mutaz Kusai AlAzzawi	- Vice Chairman of the Board of Directors - Riyadh Bank - Chairman of the Board of Directors - Herfy Food Services Company - Board Member - Savola Group - Board Member - Arabian Cement Company - Board Member - Etihad Telecom Company (Mobily)	- Board Member - Savola Food Company - Board Member - Afia International Company - Board Member - United Sugar Company - Chairman of the Board of Directors - Al-Qatrana Cement Company, Jordan - Board Member - Ready Mix Concrete and Construction Services Company, Jordan - Board Member - United Sugar Company, Egypt - Board Member - Afia International Company, Egypt - Board Member - Alexandria Sugar Company, Egypt - Board Member - The Queen Company for Food Industries, Egypt - Board Member and	- Board Member - Merle Lynch, Kingdom of Saudi Arabia - Board Member - Al-Azzawi Group	- Bachelor of Computer Engineering - King Saud University

			Executive Director - Saudi Industrial Construction and Engineering Projects Company - Board Member and Executive Director - Saudi Technology and Trade Company Ltd. - Board Member and Executive Director - Al Wusataa Development Company		
3	Ibrahim Hassan Sharbatly	- Board Member - Riyadh Bank	- Chairman of the Board of Directors - First International Business Group - Vice Chairman of the Board of Directors - Al Nahla Group and Contracting Company - Vice Chairman of the Board of Directors - Saudi Arabian Marketing and Agencies Company Ltd. (SAMA-CO) - Vice Chairman of the Board of Directors - Saudi Arabian Marketing and Agencies Company Ltd. (SAMA-CO) - Vice Chairman of the Board of Directors - Fast Auto Technology Company Limited (FAST) - Vice Chairman of the Board of Directors - Al-Ameen Distinctive for Urban Development - Vice Chairman of the Board of Directors - Al-Ameen Distinctive for Real Estate Investment - Board Member - Smile Communications, Africa	- Board Member - Commercial Union for Cooperative Insurance - Vice Chairman of the Board of Directors - Jeddah Holding Development Company - Board Member - Golden Coast, Egypt	- Bachelor of Business Administration - College of Commerce and Business Administration, Bristol, UK

4	Jamal Abdul-Karim Al-Rammah	- Board Member - Riyadh Bank	-	<ul style="list-style-type: none"> - Chairman of the Board of Directors - Saudi Aramco Insurance Company (Stellar) - Board Member - Saudi Aramco Investment Management Company (SIAMCO) - Board Member - Fujian Refining & Petrochemical Company, S-Oil - Board Member - Gard Company - Board Member - Bandlewood Corporation NV - Board Member - Motor Oil Hellas Company - Board Member - Jeddah Oil Refining Company - Treasurer - Saudi Arabian Oil Company (Aramco) - Chair of the Compensation and Documentation Committee for a number of subsidiaries and joint companies - Saudi Arabian Oil Company (Aramco) - Member and Chairman of Committees in Aramco and in several companies affiliated with Saudi Aramco and joint companies inside and outside the Kingdom - Finance General Manager - Saudi Arabian Oil Company "Aramco" - General Manager, Documentation - Saudi Arabian Oil Company (Aramco) 	<ul style="list-style-type: none"> - Management Executive Program - Harvard University, USA - Bachelor of Management and Economics - University of Basrah - Attended a number of management and finance programs at many international and domestic universities and institutions
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5	Abdul Rahman Ismail Tarabzouni	<ul style="list-style-type: none"> - Board Member - Riyadh Bank - Board Member - Jarir Marketing Company (Jarir Bookstore) 	<ul style="list-style-type: none"> - CEO and Founder - STV - Member of the Board of Trustees - King Fahd National Library 	<ul style="list-style-type: none"> - Chairman and Founder - Saudi Arabia's Venture Capital and Private Equity Association - Board Member - Saudi Digital Payments Company (stc pay) - Board Member - Saudi Technology Development and Investment Company (Taqnia) - Board Member - Careem - Board Member - IKEA Saudi Arabia - Board Member - Intigral - Board Member - Jawwy (from stc) - Head of Global Business Development, Android - Google 	<ul style="list-style-type: none"> - Master of Electrical Engineering and Computer Science - Massachusetts Institute of Technology, USA - Bachelor of Computer Science and Engineering - Massachusetts Institute of Technology, USA
6	Omar Hamad Al-Madhi	<ul style="list-style-type: none"> - Board Member - Riyadh Bank - Board Member - Aqua Power Company 	<ul style="list-style-type: none"> - Head, Direct Investments in the Middle East and North Africa - Public Investment Fund - Chairman of the Board of Directors - Tasaru Mobility Investments - Vice Chairman of the Board of Directors - Saudi Fund of Funds Company (Jada) - Vice Chairman of the Board of Directors - Regional Voluntary Carbon Market Company - Board Member - Saudi Arabian Industrial Investment Company (Dussur) - Board Member - El Seif Engineering Contracting - Board Member and Chairman of the Executive Committee - 	<ul style="list-style-type: none"> - Board Member - National Agricultural Development Company - Board Member - Saudi Fisheries Company - Senior Executive Director and Board Member - Abdul Latif Jameel Investments - Senior Executive Director - Volkswagen Group Saudi Arabia - Assistant Undersecretary - SGIA - Consultant - McKinsey & Company - Research Engineer - Saudi Arabian Oil Company (Aramco) 	<ul style="list-style-type: none"> - Master of Business Administration - Massachusetts Institute, USA - Bachelor of Chemical Engineering - University of Pennsylvania, USA

			<p>Saudi Military Industries Company (SAMI)</p> <ul style="list-style-type: none"> - Chairman of the Investment Committee - Industrial Electronics Company (ICE) - Chairman of the Technical Investment Committee - Ceer Motors - Chairman of the Board of Directors - Awad Capital, United Arab Emirates - Chairman of the Board of Directors - Iliad Partners Tech Ventures, United Arab Emirates 		
7	Mona Mohammed Al-Taweel	- Board Member - Riyadh Bank	-	<ul style="list-style-type: none"> - Adviser, Finance Minister's Team of Advisers - Ministry of Finance - CEO - FAB Capital - CEO - Emirates NBD Capital KSA - Syndicated Loans Manager - HSBC Saudi Arabia - Member of the Investment and Securities Committee - Riyadh Chamber of Commerce 	<ul style="list-style-type: none"> - Master of Business Administration - George Washington University - Bachelor of Accounting - King Saud University
8	Nader Ibrahim Al-Wehibi	<ul style="list-style-type: none"> - Board Member - Riyadh Bank - Board Member - Saudi Basic Industries Corporation (SABIC) 	- CEO - Gulf Catering Company	<ul style="list-style-type: none"> - Board Member - Mudad Business Company - Board Member - Clariant, Switzerland - Board Member - Future Work Company - Assistant Governor, Insurance Affairs - General Organization for Social Insurance - Board Member - Jarir Marketing Company - Board Member - The 	<ul style="list-style-type: none"> - Master of Arts in Social Protection Policies - Maastricht University, Netherlands - Bachelor of Insurance - Indiana State University, USA

				National Medical Care Company - General Director, Planning and Development - General Organization for Social Insurance - Secretary General for the Board of Directors - General Organization for Social Insurance - Consultant, Pensions Administration - General Organization for Social Insurance	
9	Hani Abdullah Al-Johani	- Board Member - Riyadh Bank	- Head of International Investments - Hassana Investment Company - Board Member - James Education KSI Holding - Board Member - Maarif for Education and Training - Audit Committee Member - Jawda Integrated Real Estate - Audit Committee Member - Osool Integrated Real Estate Co. - Audit Committee Member - Raza Company	- Audit Committee Member - Umm Al Qura for Development and Construction - Board Member, Audit Committee Member and Risk Committee Member - Dar Al Tamleek Company - Director of Alternative Investments Department - Hassana Investment Company - Investment Analyst in the Investment Research Department - General Organization for Social Insurance	- Bachelor of Commerce in Economics and Finance - Saint Mary's University, Canada
10	Yasser Abdullah Al-Salman	- Board Member - Riyadh Bank	- Head of the General Department of Finance - Public Investment Fund - Board Member - Saudi Military Industries Company (SAMI) - Vice Chairman of the Board of Directors - King Abdullah Financial District Company (KAJD) - Board Member - Saudi Agricultural and Livestock Investment	- Board Member - National Maritime Transport Company - Board Member - National Water Company (NWC) - Board Member - Saudi Railways Company (SAR) - Executive Director, Financial Department - Saudi Agricultural and Livestock Investment Company (SALIC) - General Manager, Investments - Etihad	- Master of Accounting and Information Systems - Middle Tennessee State University, USA - Bachelor of Accounting - King Saud University

			<ul style="list-style-type: none"> - Company (SALIC) - Board Member - Water Solutions Company - Member of the Audit Committee - NEOM - Member of the Audit and Risk Committee - Qiddiya Investment Company - Member of the Audit Committee - Saudi Entertainment Ventures (SEVEN) 	<ul style="list-style-type: none"> - Etisalat (Mobily) - Executive Director, Financial Affairs - Kingdom Holding Company 	
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Executive Management

	Member's Name	Current Positions	Previous Positions	Qualifications
1	Tareq Abdulrahman Al Sadhan	Chief Executive Officer (CEO)	<ul style="list-style-type: none"> - Senior Executive Vice President and Chief Financial Officer - Riyadh Bank - Advisor to the Chairman - Saudi Fund for Development (SFD) - Acting Director General - General Authority of Zakat and Tax (GAZT) 	<ul style="list-style-type: none"> - Master of Business Management - Ecole National des Ponts et Chaussées, France - Bachelor of Accounting ACA - King Saud University, Kingdom of Saudi Arabia
2	Mohammed Abo Al-Naja	Chief Corporate Banking Officer	<ul style="list-style-type: none"> - Executive Vice President and Head of Corporate Banking Service - Riyadh Bank - Executive Vice President, Corporate Banking Service - Riyadh Bank - Senior Vice President, Manager Multinationals - Riyadh Bank - Regional Director of Corporate Banking, Central Region - Riyadh Bank - Senior Manager, Corporate and Investment Banking - SAMBA Financial Group - Senior Relationship Manager - Riyadh Bank 	<ul style="list-style-type: none"> - Bachelor of Law - King Saud University, Kingdom of Saudi Arabia
3	Waleed Khalid Al-Dhubaib	Chief Retail Banking Officer	<ul style="list-style-type: none"> - Head of Branch Network and Sales - Riyadh Bank 	<ul style="list-style-type: none"> - Bachelor of Science in Finance - King Fahd University

			<ul style="list-style-type: none"> - Head of Branch Network and Sales - Banque Saudi Fransi - Head of Private Banking - Al Rajhi Bank 	of Petroleum and Minerals
4	Nadir Sami Al-Koraya	Chief of Treasury and Investment (CTIO)	<ul style="list-style-type: none"> - Executive Vice President Treasury and Investment - Riyadh Bank - Head of Treasury Department- Riyadh Bank - Treasurer - Riyadh Bank - Assistant General Manager, Treasury Group - Samba Bank 	<ul style="list-style-type: none"> - Master of Business Administration - University of California, USA - Bachelor of Civil Engineering - University of California, USA
5	Abdullah Ali Al-Oraini	Chief Financial Officer	<ul style="list-style-type: none"> - Chief Financial Officer - Alawwal Bank - Head of Reporting, Asset and Liability Management and Investor Relations Department- Saudi British Bank (SABB) - Head of Capital and Liquidity Management - National Commercial Bank (NCB) - Senior Financial Analyst - National Commercial Bank (NCB) 	<ul style="list-style-type: none"> - Master of Management Sciences - University of Waterloo, Canada - Bachelor of Science in Electrical Engineering - King Fahd University of Petroleum and Minerals

6	Enji Ahmed Al-Ghazzawi	Chief Operating Officer (COO)	<ul style="list-style-type: none"> - EVP of Operations - Riyadh Bank - Faculty Member - King Saud University - She assumed several positions at Riyadh Bank from the Operation Support Department to the Customer Call Center to managing the Loans operation, before moving to the Accounts Department. She managed the Comprehensive Services for the Central Region before heading the Operations Sector. 	<ul style="list-style-type: none"> - Bachelor of English Language and Translation - King Saud University
7	Mazen Mohamed Khalefah	Chief Human Capital Officer	<ul style="list-style-type: none"> - HR General Director - Saudi Central Bank (SAMA) - Head of Learning and Talents - Saudi British Bank (SABB) - Senior Manager, Talent and Resources - Saudi British Bank (SABB) - Head of Talent Acquisition and Employee Development Department - Bank Albilad - Head of Training Relations Department - National Commercial Bank (NCB) - Saudization Projects Manager - National Commercial Bank (NCB) 	<ul style="list-style-type: none"> - Bachelor of Industrial Engineering - King Abdulaziz University, Kingdom of Saudi Arabia

8	Haifa Othman Bin Ahmed	Chief Experience Officer (CXO)	<ul style="list-style-type: none"> - Head of Customer Champion Department - Riyad Bank - She assumed various leading roles in the Bank's branches from Customer Service to Branch Manager before moving to the Customer Care Department as Head of the Department. Then, she held the position of Acting Chief Experience Officer 	<ul style="list-style-type: none"> - Bachelor of Accounting and Business Management - King Saudi University -
9	Mazen Ghassan Pharaon	Chief Digital Officer	<ul style="list-style-type: none"> - Partner - Deloitte ME - Digital Center Leader - Deloitte - Chief Technology Officer - Samba Financial Group - Project Leader for Launch - Alinma Investment Co. SPAN2 and PoS Program Leader - SAMA 	<ul style="list-style-type: none"> - Bachelor of Computer Engineering - King Saudi University
10	Abdulaziz Abdullah Al-Askar	Acting Chief Risk Officer	<ul style="list-style-type: none"> - Executive Vice President- Enterprise Risk Management – Riyad Bank - Executive Vice President- Corporate Credit – Riyad Bank - Manager, Credit Review & Approval Department – Riyad Bank - Credit Manager – Riyad Bank - Assistant Credit Officer – Riyad Bank - Banker (Credit) – Riyad Bank 	<ul style="list-style-type: none"> - Bachelor of administrative science - King Saud University

11	Ahmed Rabie Al-Rowaili	Executive Vice President - General Counsel	- Chief Governance Officer and Secretary of the Board of Directors - SNB	- Master of Law - Seattle University, USA - Bachelor of Administrative Science - King Saud university
12	Hanadi Abdulrahman Al-Sheikh	Chief Transformation Officer	- General Manager of Strategy - Tadawul	- Bachelor of sciences - Washington University
13	Fawaz Naif AlKassar	Chief Internal Auditor		- Master of Business Administration - University of Oregon, USA

Qualifications and Experience of External Committee Members

#	Names of Committee Members	Current Positions	Previous Positions	Qualifications
Audit Committee				
1	Tariq Abdullah Al-Qaraawy	- Audit Committee Member - Riyad Bank - Vice Chairman of the Board of Directors - Amana Cooperative Insurance Company - Audit Committee Member - Savola Group - Board Member, Financial Investment Funds - Osool and Bakheet Investment Company - Board Member - Evening Cups for	- Vice President - Compliance and Quality Assurance Building Development Company - Board Member - Digital Innovations Company - Member of the Audit Committee - Tabuk Fish Company - Board Member, Chairman of the Executive Committee and Member of the Nomination and Remuneration	- Master of Accounting - George Washington University, USA - Bachelor of Accounting - King Saud University - Certified Management Accountant



		<p>Beverages Co</p> <ul style="list-style-type: none"> - Board Member - OceanX 	<p>Committee - Salama Insurance Company</p> <ul style="list-style-type: none"> - Founder and CEO - Idfaa Office for Management Consulting - Regional Director, Corporate Banking Group - Bank Albilad - Director, Strategy and Planning - Bank Albilad - Senior Relationship Manager, Corporate Banking - SABB Bank - Director, Islamic Banking, Corporate Banking - SABB Bank - Relationship Officer, Corporate Banking - The Saudi Investment Bank 	<p>(CMA) - Institute of Management Accountants of America IMA</p> <ul style="list-style-type: none"> - Certified Financial Manager (CFM) - IMA
2	Eid Faleh Al-Shamri	<ul style="list-style-type: none"> - Audit Committee Member - Riyad Bank - Board Member - Al Hassan Ghazi Ibrahim Shaker Company - Board Member - Aldrees Petroleum and Transport Services Company - Board Member - Taiba Investment Company - Board Member - Gscco - Audit Committee Member - Almarai Company - Audit Committee Member - King Salman Park Foundation - Audit Committee Member - Sports Boulevard Foundation 	<ul style="list-style-type: none"> - Board Member and Chairman of the Audit Committee - Fawaz Abdulaziz Alhokair and Partners Company - Board Member and Chairman of the Audit Committee - Alitco Company - Board Member and Chairman of the Investment Committee - Amana Cooperative Insurance Company - Board Member - RDB-ELSEIF CO. - Board Member - INMAIA Investment and Real Estate Development - Board Member - Banque Saudi Fransi 	<ul style="list-style-type: none"> - Bachelor of Science in Industrial Management - King Fahd University of Petroleum and Minerals - American Board of Chartered Accountants Fellowship - AICPA Member since 1995
3	Waddah Ibrahim Al Sheikh Mubarak	<ul style="list-style-type: none"> - Audit Committee Member - Riyad Bank - Vice Chairman of the Executive Committee - Majd Investment - Assistant Professor - King Faisal University - Member of the Executive Committee of the Investment Fund - King Faisal University 	<ul style="list-style-type: none"> - Head of Finance Department - King Faisal University - Lecturer - King Faisal University - Teaching Assistant - King Faisal University - Executive Supply Chain Representative - SABIC - Vice Dean of the College of Applied Studies - King Faisal University 	<ul style="list-style-type: none"> - PhD in Finance - Middlesex University, UK - Master of Finance - University of Portsmouth, UK - Bachelor of Marketing - King Faisal University

#	Names of Committee Members	Current Positions	Previous Positions	Qualifications
Nomination and Remuneration Committee				
1	Ahmad Mohammed Al-Falih	<ul style="list-style-type: none"> - Nomination and Remuneration Committee Member - Riyadh Bank - Vice Chairman of the Board of Directors, Member of the Executive Committee, and Chairman of the Nominations and Remuneration Committee - Al Jouf Cement Company - Board Member, Member of the Executive Committee, and Chairman of the Nominations Committee - Herfy Food Services Company - Board Member, Managing Director, and Member of the Nominations and Remuneration Committee - Binladin International Holding Group - Chairman of the Executive Committee of the Contracting Sector - Saudi Binladin Group - Chairman of the Executive Committee of the Maintenance Sector - Saudi Services Company Limited - Board Member - Technical United 	<ul style="list-style-type: none"> - Board Member and Executive Director - The Leading Commercial Representation Company - Board Member - Mohammed Saleh Al-Sultan Consulting Professionals - Board Member - Musa Abdul Aziz Al Mousa & Sons - Board Member - Advanced Seal Company - Board Member - Aluminum Products Co. (Bako) - Board Member - Holding Facilities Company - Board Member - Easy Transport Company - Consultant - Facilities Marketing Company - General Manager - Facilities Marketing Company - General Manager - Al-Mashreq Contracting Company - General Manager - Olayan Food Services Company - President - Tiné Company International - Vice President - Riyadh International Catering Corp. (McDonald's) - Vice President, Financial and Administrative Affairs - Saudi Company for Operation and Maintenance - Project Engineer - Ministry of Health - Project Engineer - Ibn Al-Bitar Company (SABIC) 	Bachelor of Civil Engineering - King Fahd University of Petroleum and Minerals
2	Ali Ahmed Al-Ghamdi	<ul style="list-style-type: none"> - Nomination and Remuneration Committee Member - Riyadh Bank - General Manager, Executive Benefits and Compensation and Human Resources Business Partner - Saudi Basic Industries Corporation (SABIC) - Board Member - Hadeed Company (SABIC) - Board Member - Petrokemya 	<ul style="list-style-type: none"> Board Member - Gulf Petrochemical Industries Company - Executive Director, Global Mobility Company - Saudi Basic Industries Corporation (SABIC) - Executive Director, Executive Benefits and Compensation - Saudi Basic Industries Corporation (SABIC) 	- Bachelor of Business Administration (Administrative Systems) - Arab Open University

		(SABIC subsidiary)	- Recruitment Department Manager - Saudi Basic Industries Corporation (SABIC) - Human Resource Specialist - Saudi Basic Industries Corporation (SABIC)	
#	Names of Committee Members	Current Positions	Previous Positions	Qualifications
Risk Management Committee				
1	Abdul Latif Ali Al-Rasheed	- Risk Management Committee Member - Riyadh Bank - Director General, Cyber Security - Saudi Air Navigation Services	- Head, Cyber Security - Engie Corporation - Head, Cyber Security Project - Saudi Arabian Oil Company (Aramco)	- Master of Information Security - Georgia Institute of Technology, USA - Bachelor of Computer Engineering - University of New Haven

Evaluating the performance of the Board of Directors and its Committees

The Board of Directors engages an external entity to assess the performance of both the Board and its Committees. This evaluation involves members participating in thorough and comprehensive questionnaires aligned with international governance best practices. The goal is to pinpoint strengths and weaknesses, thereby enhancing the overall effectiveness of the Board and its Committees.

Actions taken by the Board of Directors to inform its members - especially Non-Executives - of Shareholders' proposals and comments about the Company and its performance

This process involves documenting the proposals received from Shareholders during the General Assembly meetings. Additionally, if the Bank receives any other proposals, they are communicated to the Chairman of the Board of Directors to be presented at the upcoming meeting and documented in the Board's minutes, if applicable.

Any recommendations from the Audit Committee which conflicts with the decisions of the Board of Directors, or any situation where the Board refused to consider any recommendations regarding the appointment or dismissal of the Auditor of Riyadh Bank, the determination of his fees or evaluating his performance; if so the rationale for these recommendations, and the reasons for not taking them

There are no conflicts between the Audit Committee's recommendations and the Board's decisions, and the Board did not reject any recommendations related to the appointment, dismissal, fee determination, or performance evaluation of Riyadh Bank's Auditor.

Compensation of the members of the Board of Directors, its Committees, and Senior Executives in 2023

The compensation granted to Riyad Bank's Board of Directors, its Committees, and Senior Executives conforms to guidelines mandated by regulatory authorities. It is generally governed by the rules of defining and paying compensation to members of the Board of Directors and its Committees in financial institutions and the compensation regulations for banks outlined by Saudi Central Bank, the Key Principles of Governance in Financial Institutions under the Control and Supervision of the Saudi Central Bank, the Corporate Governance Regulations outlined by the Capital Market Authority, the Companies Law administered by the Ministry of Commerce, and provisions detailed in the Bank's Articles of Association.

Upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors establishes the compensation framework for Senior Executives. This ensures alignment with the strategic objectives of the Bank and aims to effectively incentivize Senior Executives towards achieving these objectives.

Compensation of Board Members

Member's Name		Fixed Compensation							Variable Compensation	End of service benefits	Gross total	Expense allowance**** (SAR 000's)
		Specific Amount*	Board Meetings Attendance Allowance	Total Attendance Allowance for Committees**	In-kind Benefits	Compensation of Technical, Administrative, and Consulting Duties	Compensation of the Chairman, Managing Director, or Secretary if he is a member	Total				
Independent Members	Mutaz Kusai AlAzzawi	1,450	35	95	-	-	-	1,580	-	-	1,580	15.81
	Ibrahim Hassan Sharbatly	1,200	35	15	-	-	-	1,250	-	-	1,250	15.76
	Jamal Abdul-Karim Al-Rammah	1,450	35	90	-	-	-	1,575	-	-	1,575	36.47
	Abdul Rahman Ismail Tarabzouni	1,400	35	65	-	-	-	1,500	-	-	1,500	8.81



	Mona Mohammed Al-Taweel	1,400	35	115	-	-	-	1,550	-	-	1,550	10.06
	<u>Independent Members</u>	6,900	175	380	-	-	-	7,455	-	-	7,455	86.91
Non-Executive Members	Abdullah Mohammed Al-Issa	1,250	35	15	-	-	4,500	5,800	-	-	5,800	10.06
	Nader Ibrahim Al-Wehibi	1,450	35	90	-	-	-	1,575	-	-	1,575	8.30
	Omar Hamad Al-Madhi	1,400	35	40	-	-	-	1,475	-	-	1,475	-
	Yasser Abdullah Al-Salman	1,200	35	60	-	-	-	1,295	-	-	1,295	2.89
	Hani Abdullah Al-Johani	1,450	35	50	-	-	-	1,535	-	-	1,535	-
	<u>Non-Executive Members</u>	6,750	175	255	-	-	4,500	11,680	-	-	11,680	22.11
	Total	13,650	350	635	-	-	4,500	19,135	-	-	19,135	109.02

* The compensation for members of the Board of Directors is SAR 1,000,000 for each member, and the additional compensation for the Chairman of the Board of Directors is SAR 4,500,000. Additionally, the compensation for each committee membership is SAR 200,000 for each committee member, and the additional compensation for the Chairman of each committee is SAR 50,000.

**The allowance allocated for attending Board Committee meetings incorporates compensation for Board members who, although not officially part of these Committees, receive invitations to attend such sessions from the Committees. Consequently, the total compensation each member receives for participating in Committee meetings might differ from the other statement of the allowance allocated for attendance by Committee members.

***The expenses allowance encompasses transportation and accommodation expenses incurred by members of the Board of Directors and its Committees.

Remuneration of members of Committees emanating from the Board of Directors

	Member's Name	Fixed Compensation (except for the allowance for attending meetings)	Allowance for Attending Meetings	Total	Expense Allowance*
Executive Committee Members					
1	Nader Ibrahim Al-Wehibi	250	60	310	-
2	Mutaz Kusai AlAzzawi	200	60	260	-
3	Abdul Rahman Ismail Tarabzouni	200	55	255	-
4	Mona Mohammed Al-Taweel	200	60	260	-
5	Yasser Abdullah Al-Salman	200	60	260	-
	Total	1,050	295	1,345	-
Audit Committee Members					
1	Jamal Abdul-Karim Al-Rammah	250	45	295	-
2	Mona Mohammed Al-Taweel	200	45	245	-
3	Tariq Abdullah Al-Qaraawy (external)	200	45	245	-
4	Eid Faleh Al-Shamri (external)	200	45	245	-
5	Waddah Ibrahim Al Sheikh Mubarak (external)	200	45	245	2.72
	Total	1,050	225	1,275	2.72
Risk Management Committee Members					
1	Hani Abdullah Al-Johani	250	30	280	-
2	Jamal Abdul-Karim Al-Rammah	200	30	230	-
3	Abdul Latif Ali Al-Rasheed (external)	200	30	230	-
	Total	650	90	740	-
Nomination and Remuneration Committee Members					
1	Mutaz Kusai AlAzzawi	250	25	275	-
2	Nader Ibrahim Al-Wehibi	200	25	225	-
3	Omar Hamad Al-Madhi	200	25	225	-
4	Ahmad Mohammed Al-Falih (external)	200	25	225	-
5	Ali Ahmed Al-Ghamdi (external)	200	25	225	3.51
	Total	1,050	125	1,175	3.51
Strategic Planning Group Members					
1	Abdullah Mohammed Al-Issa	250	10	260	-
2	Ibrahim Hassan Sharbatly	200	10	210	-
3	Abdul Rahman Ismail Tarabzouni	200	10	210	-
4	Omar Hamad Al-Madhi	200	10	210	-
5	Hani Abdullah Al-Johani	200	10	210	-
	Total	1,050	50	1,100	-
	Members of the Committees emanating from the Board of Directors**	4,850	785	5,635	6.23

* Expenses allowance includes transportation and accommodation expenses for members of the Board of Directors and its Committees.

** The numbers in the table for committees' external members above are based on the remuneration policy which will be proposed for approval in the upcoming AGM on 24/02/2024.

Salary and Compensation Statement for 6 Senior Executives (including the CEO and CFO):

Description	SAR 000's
<u>Fixed Compensations</u>	
Wages	12,354
Allowances	1,812
In-Kind Benefits	213
Total	14,378
<u>Variable Compensations</u>	
Periodic Compensations	23,759
Profits	-
Short-Term Motivation Plan	-
Long-Term Motivation Plan	6,301
Stock Dividends	-
Total	30,060
End-of-Service Gratuity	6,371
Total Executives Compensation of the BoD, if available	-
Combined Total	50,810

Assignment of Interests by Shareholders, Board Members, or Senior Executives

- There are no arrangements or agreements regarding waiving salaries or compensation for Board members or Senior Executives.
- There are no arrangements or agreements where Riyad Bank's Shareholders have waived rights to their entitled profits within the Bank.

On 7 August, 2023, Riyad Bank disbursed dividends to Shareholders at 65 halalas per share for the first half of 2023. Upon approval by the General Assembly, the remaining dividends will be distributed to Shareholders for the second half of the year 2023 at a rate of 75 halalas per share. This will result in a combined distribution of SAR 4,193 Mn. for 2023, equivalent to SAR 1.4 per share, constituting 14% of the nominal share value after Zakat deductions.

Changes to Major Shareholders Ownership

The following table shows the primary Shareholders of the Bank, each of which owns 5% or more of the shares, and the changes in their equity as of the end of the trading day on 31 December, 2023:

Name of the Shareholder	Number of Shares at the Beginning of the Year	Number of Shares at the End of the Year	Net Change	% Change	% Ownership
Public Investment Fund	652,608,000	652,608,000	0	0.00%	21.75%
General Organization for Social Insurance	632,905,352	311,714,495	0	0.00%	10.39%
Al Nahla Trade & Contracting Co	262,149,903	262,149,903	0	0.00%	8.73%
Aseela Investment Co.	240,000,000	240,000,000	0	0.00%	8.00%

Riyad Bank relied on Riyadh Bank's Saudi Stock Exchange (Tadawul) records by the end of Tadawul's session on 31 December, 2023.

Ownership of Riyadh Bank Shares by the Board Members, Senior Executives, or their Wives and Minors, and the Changes during 2023

The following tables are a description of any interest that belongs to members of the Board and Senior Executives, or their wives and minors, in shares or debt instruments of the Bank or any of its subsidiaries and any change that occurred thereof during the year:

A. The Board Members, their Wives and Minors

Name of the Party Holding the Interest	Number of Shares at the Beginning of the Year	Number of Shares at the End of the Year	Net Change	% Change	Debt Instruments
Abdullah Mohammed Al-Issa	1,262,000	1,262,000	-	-	-
Relatives of Abdullah Mohammed Al-Issa	26,603,784	26,214,784	(389,000)	(1.5%)	-
Jamal Abdul-Karim AlRammah	1,142	1,142	-	-	-

Relatives of Jamal Abdul-Karim AlRammah	-	-	-	-	-
Ibrahim Hassan Sharbatly	694,508	694,508	-	-	-
Relatives of Ibrahim Hassan Sharbatly				(10.8%)	-
Hany Abdullah Al-Johany	-	-	-	-	-
Relatives of Hany Abdullah Al-Johany	-	-	-	-	-
Yasser Abdullah Al-Salma	-	-	-	-	-
Relatives of Yasser Abdullah Al-Salma	-	-	-	-	-
Mona Mohammed Al-Tawil	32,000	32,000		-	-
Relatives of Mona Mohammed Al-Tawil	624,400	624,400	2,000	0.3%	-
Omar Hamad Al-Madhi	-	-	-	-	-
Relatives of Omar Hamad Al-Madhi	-	-	-	-	-
Abdulrahman Ismail Tarabzouni	10	0	(10)	(100%)	-
Relatives of Abdulrahman Ismail Tarabzouni	-	-	-	-	-
Mutaz Kusai AlAzzawi	1,347,000	1,347,000	-	-	-
Relatives of Mutaz Kusai AlAzzawi	1,741,200	1,741,200	-	-	-
Nader Ibrahim AlWehibi	-	-	-	-	-
Relatives of Nader Ibrahim AlWehibi	-	-	-	-	-

B. Senior Executives, their Spouses and Minor Children

Position	Name of the Party Holding the Interest	Number of Shares at the Beginning of the Year	Number of Shares at the End of the Year	Net Change	% Change	Debt Instruments
Chief Executive Officer	Tareq Abdulrahman Al Sadhan	-	-	-	-	-
	Relatives of Tareq Abdulrahman Al Sadhan	-	-	-	-	-
Chief Retail Banking Officer	Waleed Khalid Al-Dhubaib	0	478	478	-	-
	Relatives of Waleed Khalid Al-Dhubaib	-	-	-	-	-
Chief Corporate Banking Officer	Mohammed Abo Al-Naja	-	-	-	-	-
	Relatives of Mohammed Abo Al-Naja	3,000	2,000	(1,000)	(33%)	-
Chief of Treasury and Investment	Nadir Sami Al-Koraya	-	-	-	-	-
	Relatives of Nadir Sami Al-Koraya	2,010	2,257	247	12.3%	-
Chief Financial Officer	Abdullah Ali Al-Oraini	-	40,000	40,000	-	-
	Relatives Abdullah Ali Al-Oraini	25	716	691	2764%	-
Chief Operating Officer (COO)	Enji Ahmed Al-Ghazzawi	-	-	-	-	-
	Relatives of Enji Ahmed Al-Ghazzawi	0	1,000	1,000	-	-
Chief Digital Officer	Mazen Ghassan Pharaon	-	-	-	-	-
	Relatives of Mazen Ghassan Pharaon	-	-	-	-	-
Chief Human Capital Officer	Mazen Mohamed Khalefah	-	-	-	-	-
	Relatives of Mazen Mohamed Khalefah	-	-	-	-	-

Acting Chief Risk Officer	Abdulaziz Abdullah Al-Askar	-	-	-	-	-
	Relatives of Abdulaziz Abdullah Al-Askar	-	-	-	-	-
Chief Experience Officer (CXO)	Haifa Othman Bin Ahmed	-	-	-	-	-
	Relatives of Haifa Othman Bin Ahmed	0	9,966	9,966	-	-
Chief Transformation Officer	Hanadi Abdulrahman A Al-Sheikh	-	-	-	-	-
	Relatives of Hanadi Abdulrahman A Al-Sheikh	-	-	-	-	-
Executive Vice President - General Counsel	Ahmed Rabie Al-Rowaili	-	-	-	-	-
	Relatives of Ahmed Rabie Al-Rowaili	-	-	-	-	-
Chief Internal Auditor	Fawaz Naif AlKassar	-	-	-	-	-
	Relatives of Fawaz Naif AlKassar	-	-	-	-	-

General Assemblies Held during the Year 2023

In 2023, Riyad Bank convened one Extraordinary General Assembly for Shareholders on 04/09/1444H, corresponding to 26 March, 2023. Below is the attendance record of the Board members for this meeting.

Name	Attendance
	Extraordinary General Assembly Held on 26.03.2023
Abdullah Mohammed Al-Issa	✓
Mutaz Kusai AlAzzawi	✓
Ibrahim Hassan Sharbatly	✓

Abdul Rahman Ismail Tarabzouni	✓
Omar Hamad Al-Madhi	✓
Mona Mohammed Al-Taweel	✓
Hani Abdullah Al-Johani	✓
Nader Ibrahim Al-Wehibi	✓
Yasser Abdullah Al-Salman	Could not attend

Number of Riyadh Bank's Requests for Shareholders' Records, their Dates, and Reasons during 2023

Date of the Request	Reason
08.01.2023	Corporate actions
02.03.2023	Corporate actions
04.03.2023	Corporate actions
05.03.2023	Corporate actions
24.03.2023	General assembly
28.03.2023	Profits file
30.07.2023	Profits file
03.09.2023	Corporate actions
04.09.2023	Corporate actions
06.09.2023	Corporate actions
01.11.2023	Corporate actions

Assurances of the Board of Directors

- The accounting records have been meticulously prepared and are accurate.
- The internal control system was established on robust foundations and has been effectively implemented.
- There is unequivocal confidence in Riyadh Bank's ongoing operational capabilities.
- Concerning contracts involving Riyadh Bank, neither the Chairman, Board members, the CEO, the Chief Financial Officer, nor any individual closely associated with them, has or had a significant interest in such contracts, except as disclosed in the statement of transactions with related parties.
- There is no conflict of interest between the Company's activities or any of its branches and the business pursuits of any Board member, past or present.

Interests in Voting Shares

No Stakeholder in the category of shares eligible to vote belonging to persons (except for members of the Board of Directors of Riyad Bank and Senior Executives and their relatives) informed Riyad Bank of these rights under Article 68 of the Rules for the Offer of Securities and Continuing Obligations, and any change in these rights during the fiscal year 2023.

External Auditors

During its convened session on 26 March, 2023, the Ordinary General Assembly of Riyad Bank approved the appointment of Ernst & Young and PricewaterhouseCoopers as the Bank's external auditors for the fiscal year ending on 31 December, 2023. Subsequently, in its forthcoming meeting, the General Assembly will deliberate on the potential reappointment or substitution of the current auditors and determine the auditing fees for assessing Riyad Bank's financial statements for the fiscal year ending on 31 December, 2023. This will be decided after reviewing the Board of Directors' recommendation, which is in turn based on the Audit Committee's recommendation.

Auditors' Reservations on the Annual Financial Statements

The Auditors' Report confirms the absence of material errors within the financial statements and does not express any reservations concerning their accuracy or integrity.

Recommendations of the Board of Directors to replace the Auditors and their Reasons

The Board of Directors did not recommend replacing the Auditors before the conclusion of their appointed term.

Corporate Governance

Riyad Bank remains dedicated to applying the provisions stipulated in the Corporate Governance Regulations established by the Capital Market Authority, the Main Principles of Governance for Banks Operating in Saudi Arabia, and the directives set forth by the Saudi Arabian Monetary Authority. The Bank is steadfast in its commitment to comply with all governance regulations, ensuring ongoing alignment with any advancements in this domain. Moreover, Riyad Bank updates pertinent policies and procedures in response to the issuance of new regulatory developments as necessitated.

Compliance

Compliance Statement in Riyad Bank

Riyad Bank is a Saudi Arabian Joint Stock Company registered in the Kingdom of Saudi Arabia pursuant to Royal Decree No. (M/91) dated 23 November, 1957, and licensed by the Saudi Central Bank (SAMA). It was established according to the provisions of the Companies Law and its regulations, Banking Control Law, and Capital Market Law. Riyad Bank is committed to protect its professional practice, clients, and entities by adhering to the applicable laws and regulations and complying with the international standards in all aspects of the business it operates.

The Compliance Group's main objective is to activate and enhance the compliance policy and its culture in all the Bank's activities, functions, and businesses, as well as to protect the Bank's interests and reduce the risk of non-compliance with the requirements, regulations, and instructions. In addition, it is the Compliance Group's role to enhance and maintain the confidence of Riyad Bank's integrity and reputation. Riyad Bank provides the best standards of security and protection for all its clients and Shareholders to prevent any violation of laws and regulations. The process of identifying the risk takes place periodically and continuously in order to avoid non-compliance via issuing internal policies and procedures that must be followed by all Riyad Bank's employees and Stakeholders. Riyad Bank has zero tolerance towards any violation or non-compliance with the policies. The Bank has also implemented a code of conduct that is mandatory for all employees and concerned Stakeholders to fully comply with.

Code of Ethics and Conduct Policy

Our ability to do what is right is an instrumental factor in our integrity and reputation. The Code of Conduct in Riyad Bank is designed to guide employees and senior Management on acceptable conduct. The Code is prepared on the basis that we in Riyad Bank are all responsible for conducting business ethically and no one should ever forgo integrity or even seem that they have.

Anti-Money Laundering and Terrorist Financing Statement

Riyad Bank is firmly committed to encourage highest possible standards in combating money laundering and terrorist financing activities. The Bank is also committed to identifying money laundering and terrorist financing transactions with a high level of transparency and compliance with the applicable laws, rules, and guidelines issued either by the Saudi Central Bank (SAMA), or the relevant international organizations.

Additionally, Riyad Bank has implemented a program to combat money laundering and terrorist financing to prevent the use of the Bank's branches either for retail or corporate, trade finance centers, the Bank's products in general, and its affiliates as channels of illegal activities in connection with money laundering and terrorist financing and other financial crimes activities.

This program is ensuring compliance with global requirements, including the Financial Action Task Force (FATF) recommendations, local laws, as well as the Saudi Central Bank (SAMA) and other regulatory requirements to prevent illegal transactions or activities.

Riyad Bank has established robust AML & CTF policies and procedures based on local and global instructions to combat and prevent any criminal activities. The subject policies and proper controls encompass several programs such as, and not limited to, Know Your Customer (KYC), monitoring customer transactions, sanctions, training and awareness, monitoring suspicious activities and reporting procedures, independent stress-testing etc. Established AML & CTF programs are reviewed and evaluated by internal and external auditors along with the periodical visits by the Saudi Central Bank (SAMA).

Gifts, Benefits, and Entertainment Policy

The exchange of gifts and benefits between the Bank and its Stakeholders is normal in the course of business but may appear improper even if there is no unethical intent. We are committed to doing business based on our ethical standards and the value we provide to our customers and Stakeholders, not on gifts or offers we give or receive, thus our policy provides clear guidance on what the Bank allows for its employees to accept or give in terms of gifts, benefits, favors, entertainment, etc.

We value our reputation and consider it to be an integral part of our business. We do not compromise our reputation by engaging in, or appearing to engage in, bribery or any form of corruption.

Insider Trading Policy

As employees of a financial services company, we may have access to material, non-public information (MNPI) or Insider Information about our Bank, our clients and other companies. We strictly prohibit the misuse of MNPI or Insider Information used for any personal gain by employees.

We have exerted efforts to see that controls are put in place in order to ensure that there is no misuse of information.

Conflict of Interest Policy

Riyad Bank has a firmly committed fiduciary obligation towards our clients and our Shareholders to act in their best interest. This means we avoid and address through controls, disclosures, or other appropriate steps actual or potential conflicts of interest.

Data Privacy

At Riyad Bank we have adopted rigorous security protocols, checks, and policies to ensure all customer data is kept confidential and secure. We adopt strict protocols and standards for our employees, and technology to maintain data privacy and security.

Know Your Customer Program

Riyad Bank implemented KYC procedures to ensure all customer information is well defined. The Bank required all its customers to present a valid and updated identity document based on the applicable requirements. We applied the proper due diligence measures to update and verify the customer information, according to the risk profile rating or in case of a trigger event.

The Bank prevents accounts being opened by anonymous, numbered, non-resident individuals or entities in the country, and do not engage in any relationships with shell banks.

Monitoring Customer Transactions Program

The monitoring of customer's account activities is grounded on the identification of suspicious transactions generated by Riyad Bank's automated monitoring system that is based on updated scenarios and trends of ML typologies, and internal procedures. This allows the authorized officer to take the required action to ensure that the transaction is genuine. The suspicious transactions verification process comprises investigation, examination, and analyzing the cases as well as identifying and taking appropriate measures regarding the AML transactions. The suspicious transactions are reported to the competent authorities inside and outside the Bank and we apply the necessary follow-up.

Riyad Bank takes into consideration rectifying the violated accounts to comply with the applicable laws and regulations, identifying proper corrective action plans for the aforementioned accounts as well as provides and develops highly efficient programs and systems for monitoring.

Stress Testing on Anti-Money Laundering

Riyad Bank has implemented risk assessment procedures for the Bank's business, products, and services in order to identify and mitigate the risks the Bank may face in respect of money laundering and terrorist financing. A comprehensive risk register of the AML and CTF risks that the Bank may be exposed to has also been established. In addition, Riyad Bank identifies the gaps or weaknesses that occur internally and mitigates the impacts periodically.

Sanction Program

We have implemented a proper system for the screening of transactions and customers against the names listed either by local authorities or global organizations, such as UN, OFAC and EU, as well as the names listed by the Saudi Central Bank (SAMA). The system implemented is to support Riyad Bank to mitigate the risk of non-compliance in applying the instructions of sanctions lists, as well as preventing the execution of illegal or non-compliant transactions or activities, and to abide with local and international requirements related to sanctioned names for either individuals, entities, or related parties.

Training and Awareness

Training and awareness are the fundamental tools to develop a robust compliance culture and is considered one of the main responsibilities of Compliance. Based on Riyad Bank's training policy and the applicable regulations, we provide periodic training to all employees, including the Board of Directors, sub-committees, senior Management, and the new hires. The training covers all issues related to anti-money laundering and combating terrorist financing to ensure all employees are informed of the applicable regulations, instructions, and developments. In addition, tailored training is provided to the high risk and critical rolls at Riyad Bank.

We utilize several channels to provide training and awareness such as the E-learning platform, classroom, and through SMS and the Bank's intranet and social media.

FATCA and CRS Statement

Riyad Bank has implemented Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS) policies with the intention to report on all our customers, business, and employees. The policies provide an outline of the legislative and regulatory obligations which the Bank must adhere to in order to protect the reputation and financial position of Riyad Bank and its Stakeholders. This ensures, to the fullest extent possible, that we are complying with the specific provisions of FATCA and CRS.

Please see FATCA GIIN No: (UG0F5P.00000.LE.682)

Anti-Bribery and Corruption and Financial Fraud Statement

Riyad Bank has implemented Anti-Bribery and Corruption, and Financial Fraud policies which intend to ensure that the Bank is applying a comprehensive mechanism to combat bribery, corruption, and financial fraud. Moreover, the set roles and responsibilities of different Stakeholders, in terms of combatting bribery, corruption, and financial fraud to ensure that it is subject to appropriate oversight and respective roles and responsibilities, are communicated to the Bank's Stakeholders. In addition, the Board of Directors provide an oversight to the anti-bribery, corruption, and financial fraud mechanisms and strategies implemented by the Bank, and any other relevant policies.

The Bank also established an appropriate control environment and channels for reporting of any potential bribery, corruption, and financial fraud activities through whistleblowing and applicable internal and external means, and periodic testing for the effectiveness.

Whistleblowing Statement and Tools (Violations Reporting)

Riyad Bank is firmly committed to encourage the highest possible professional and practice standards in all its businesses. To achieve this, it encourages an environment and culture in which all parties can report all forms of non-compliance.

A whistleblowing policy has been implemented, which is intended to ensure that all employees and Stakeholders feel supported in speaking up in confidence, and reporting matters that they suspect may involve improper, unethical, or inappropriate conduct and alike within the Bank.

The policy is intended to enable those who become aware of wrongdoing to report their concerns, so that they can be properly investigated. Reports can be made anonymously. However, if reporters put their names to allegations this policy has been established to protect reporters from any act of retaliatory, intimidating, or threatening conduct, and ensures that reports are examined with high levels of professionalism.

The Whistleblowing form is available through the following link:

<https://www.riyadbank.com/ar/about-us/compliance-statement/whistleblowing>

For more information about Riyad Bank please refer to our official website at www.riyadbank.com.sa

For more information related to Saudi Central Bank, please visit their website at www.sama.gov.sa

Risk Management

The Bank has a sound risk culture, an enabling risk appetite and an Enterprise Risk Management Framework (ERMF) to ensure a robust internal control environment and risk management in the Bank.

Risk Culture

Risk culture is one of the critical principles of the Bank's enterprise risk management to set the norms of behavior and actions around the risk management. It shapes the Bank's ability to identify, understand, assess, and mitigate the current and future risks. It ensures that that proper risk culture is embedded within the Bank.

Risk Governance

The Board of Directors has an ultimate responsibility for the Bank's strategy, governance, risk management, compliance, and financial soundness. The Board of Directors has a designated Risk Management Committee to have continuous oversight on risk management to ensure effective risk governance. The Saudi Central Bank (SAMA) and the Basel Committee have directed that the risk management function should be independent from other banking functions. To put in place an adequate operating structure to consider the risk and control, the Bank has implemented a 3 lines of defense approach with controls at different organizational units i.e. the operating units, other control areas, and Internal Audit. The Bank's sound governance and risk management are reinforced by these 3 lines of defense approach, which is also an integral part of an ERMF.

Enterprise Risk Management Framework

The Enterprise Risk Management Framework (ERMF) enables the Bank to identify, measure, manage, and control its risks in addition to relating the same with capital requirements in order to ensure sustainable capital adequacy. A fully embedded ERMF covers the Bank's risk universe. It is worth mentioning that the Bank approaches the development of strategy, risk and balance sheet management, and risk appetite in an integrated manner. The Bank's Capital Management Framework (CMF) is designed to meet key Stakeholders' expectations with proper focus on adequacy of the Bank's capital in relation to its risk profile.

Risk Appetite Framework

The Risk Appetite Framework (RAF) is an integral component of the Bank's ERMF and is embedded in the Bank's strategy and annual operating plan. The RAF establishes the overall approach through which the Bank ensures prudent risk-taking. It is established on the basis of best practices and outlines the process of developing a Risk Appetite Statement (RAS), governance, monitoring, and

reporting. The RAS is integrated with the Bank's strategic planning process and is approved by the Board on an annual basis.

In pursuit of its strategy, the Bank is exposed to various types of risks, including but not limited to credit risk, market risk, liquidity risk, operational risk, and cyber and information security risk. Strategic risk objectives, containing a full suite of quantitative metrics and qualitative statements are defined in the Risk Appetite Framework. The Bank also expresses risk appetite qualitatively in terms of policies, processes, procedures, and controls duly meant to manage risks that may or may not be quantifiable.

The Bank will continue to invest in a risk management eco system for all key existing and emerging risks.

Stress Tests

The Bank applies "Stress Testing" to all types of risks, including all banking activities and how they can be impacted by financial and economic changes. Stress tests are simulations to test the resilience. The Bank's stress testing exercise assesses the adequacy of the Bank's capital to withstand various scenarios. Risk Management monitors the stress methodologies along with underlying assumptions to ensure the efficacy of stress models.

Credit Risk

Credit risk is defined as the risk of financial loss resulting from the other party to a credit transaction not meeting (or not meeting completely) their financial obligations. Accordingly, the Bank developed various credit risk management frameworks and policies that encompass all financing programs to ensure the Bank minimizes the overall risk in its credit portfolio and reduces losses incurred by financing activities.

The Bank operates in accordance with a stringent credit framework, policies, manuals, and procedures, which are reviewed regularly, considering latest updates and regulations of SAMA, BIS, and risk dynamics. Credit limits should be commensurate with the level of risk. Excessive concentration of credit risk should be avoided in all dimensions in both retail and corporate exposure.

The Bank's credit rating system conforms to international standards. The Bank, while having its own credit rating system, also incorporates the ratings of external agencies in the due diligence process. The credit risk assessment is executed through standardized measurement tools. This provides a comprehensive picture of the Bank's asset quality. In addition, it measures the probability of default which is a prerequisite for calculating expected credit losses in accordance with new accounting standards.

The Bank's processes are constantly evolving in line with requirements of both local and international regulators. The Bank complies with all Basel requirements in measuring the capital adequacy ratio required to cover credit risk according to the standard method (Standardized Approach). The Bank uses internal credit risk models for credit assessments. These models are

validated and reviewed annually by a third party. The validation includes tests that are carried out to ensure the reliability of the results of the credit rating models and their quantitative and qualitative aspects.

Residential Mortgage Financing Risk

The risks associated with financing a residential mortgage that can be hedged by insurance including death, disability of a customer and property damage. The bank hedges these risks through "Group Credit Life and Property All Risks" insurance programs.

BASEL III Pillar 3 Disclosures

The Basel III Committee, third pillar recommendations, requires publishing of a number of quantitative and qualitative disclosures. These are published and posted on the Bank's website www.riyadbank.com in accordance with SAMA instructions. Such disclosures are not subject to examination or review by the Bank's external auditors.

Market Risk and Liquidity Risk

Market risk is the risk of losses resulting from fluctuations in market prices, of relevant instruments such as special commission rates, stock prices, foreign exchange rates, and any changes in the fair value of financial instruments and securities held by the Bank.

The Bank continuously measures and monitors risks pertaining to assets and liabilities resulting from fluctuations in fair values or future cash flows of financial instruments due to changes in market prices. This is achieved using risk structure, limits, and metrics approved by the Board of Directors and monitored by the Market and Liquidity Risk Management Department.

There is also a trade-off between liquidity and profitability, and an appropriate balance must be struck in all operations, while maintaining a strong liquidity position to increase customer confidence and improve the cost of funding. Additionally, periodic reports on market and liquidity risks are submitted to the Asset and Liability Management Committee and the Investments Committee. Such reports are then submitted to the Board's Risk Committee.

The Bank adopts the value at risk (VaR) standard, which is a tool to measure and quantify the level of financial risk in a Bank or a portfolio. The Bank can then monitor the changes and volatility of market prices and the relationship linking these changes to one another as a basic standard for measuring market risks. Moreover, several other advanced standards are used to improve analytical capabilities in managing market risks, including liquidity, stress tests, and analysis of market risk sensitivity.

The Bank continues to enhance its operations and systems to manage market and liquidity risks effectively and to implement the latest regulatory standards as per the requirements of SAMA and BIS.

Financial Crime Risks

In recent years financial crimes have emerged as a serious threat and challenge to financial institutions and their employees. Riyad Bank realizes the gravity of such crimes and their consequences. Therefore, efforts were made to take preventive measures of a strategic nature to combat and prevent financial crimes, which helped eliminate such crimes to a great extent.

The Bank was keen and took steps to incorporate the best international practices to execute its strategy to combat and monitor suspicious transactions related to anti-money laundering and combating terrorist financing, including controls designed to combat embezzlement, financial fraud, and monitor bank accounts. The Bank will continue to further strengthen the controls to prevent financial crimes.

The nature of the risks is dynamic and subject to change with the changes in the financial environment, types of crimes, and banking industry technology. Therefore, our strategy is subject to periodic reviews and frequent updates. In addition, a risk assessment review is also carried out periodically that encompasses the functions, departments, policies, and procedures for addressing risks of internal and external fraud and determines the level and nature of those risks. Since they may pose special risks, all new financial products and services are subject to a risk assessment by control functions before they are launched.

Riyad Bank sought to raise employee awareness by launching awareness programs throughout the year to boost commitment to combating financial crimes. The customer and concerned parties play an important role in helping the Bank to detect fraud. Accordingly, awareness and ad campaigns are launched to inform customers of the types of fraud they may face and how to report them.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems, or from external events. These risks arise in all activities undertaken by various business and support functions. They may also arise due to risks from third party service providers. Operational risk is inherent in all of the Bank's products, activities, processes, and systems. The effective management of operational risk is a fundamental element of a bank's risk management strategy.

The Bank has developed operational risk management and measurement policies, standards, and guidelines. They include, performing an independent view of the identified risks by business units and designing an effective test of key controls and risk tolerance, in addition to monitoring and reporting of the operation risk profile, operational risk training and raising risk awareness. Also, there is an integrated risk-based approach that is compatible with the Bank's activities that includes:

- Identifying operational risks, including emerging risks, by means of improving various tools to effectively manage operational risks.
- Measuring operational risks using a standardized methodology for risk assessment in cooperation with the second line of defense departments.
- Evaluating operational risks and their impact on the Bank's strategic and executive operational objectives.
- Continuously monitoring the impact of operational risks to ensure that priorities are set in taking the corrective actions necessary to address risks.
- Submitting periodic reports to the Executive Management, the Operational Resilience Committee, and the Risk Management and Compliance Committee on important operational risk cases to obtain guidance on corrective action and approvals as needed.
- Identifying and sharing leading practices with the Management and competent officers in Risk Management.
- Enhancing awareness and knowledge of different risks in the Bank.

Technology Risk

Technology risk is the emerging risk among overall operational risks. This risk is related to the adoption and certification of business technology in the Bank. Business technology is considered one of the main operational elements that supports the vision and mission of the Bank. Therefore, the Bank pays great attention to the risk associated with business technology, and works to limit it, to know its impact on the business, and to put in place the relevant measures and controls to take appropriate decisions to limit the impact if it occurs, by developing a policy to ensure that the technology risk is managed and handled appropriately. The Bank adopts several practices to effectively analyze and monitor risks through a variety of methods, which include:

- Defining and monitoring technology risk measures according to the risk tolerance framework.
- Developing the technology risk register at the Bank's level to be in line with the Bank's risk register in coordination with the relevant sectors/departments.
- Reviewing points of high technology risks with documenting controls and work mechanisms, identifying potential gaps, and recommending proposals for improvement and development.
- Submitting an annual risk assessment, control testing, and annual verification plan.
- Assessing high-risk systems and applications in coordination with the concerned departments.
- Submitting periodic reports on the performance of business technology risk activities within the framework of risk tolerance to the relevant committees.
- Supervising the review of all relevant technology policies to ensure the application of best practices and compliance with the requirements of SAMA.

Cyber Security and Information Security Risks

Cyber and information security risks refers to risks arising from the possibility of breaching the necessary regulatory, technical, and procedural measures put in place to protect the Bank's information from unauthorized access, disclosure, reproduction, as well as from use, modification, transfer, loss, theft, or misuse thereof in a deliberate and subversive, or accidental manner.

The Bank manages cyber and information security risks through a comprehensive practical framework via which governance is applied across all its information systems, practical procedures are organized, and implementation of the regulatory requirements and necessary rules is facilitated, ensuring the protection of the Bank's informational assets to reduce various cyber and information security risks. Moreover, cyber and information security legislations issued by the relevant authorities are enforced. There is direct and complete supervision of all relevant activities from the viewpoint of cyber and information security. A process of security testing and assessments is established, and continuous monitoring of system events in correlation with cyber threat intelligence information is performed for the purpose of identifying security risks and taking necessary measures to immediately reduce/mitigate those risks.

The Bank is effectively complying with the applicable regulatory directives, international standards and best practices besides constantly enhancing the awareness program to raise awareness amongst all employees, contractors, vendors, and customers.

Effectiveness of Internal Controls

Riyad Bank has a well-established internal control system to ensure an effective internal control environment, in line with the 'Guidelines on Internal Control' issued by SAMA. The system acts to ensure that strategic goals are achieved by protecting the Bank's assets and guaranteeing operations are carried out pursuant to applicable guidelines. Internal controls include clear corporate governance that defines the roles and responsibilities of members of the Board and its Committees.

The Executive Management and its Committees ensure that risks related to regulatory requirements, strategy, financial performance, information technology, assets and liabilities management, liquidity, credit, operations, legal affairs, and information security are appropriately managed.

Bank employees and departments are responsible for the efficiency and effectiveness of their respective internal control environments. This assurance is provided through periodic self-assessment reviews of processes and controls to proactively identify areas of improvement and ensure timely remediation. Additionally, independent control functions and internal and external auditors conduct reviews to ensure adequacy of the internal control environment.

The Compliance Department ensures compliance with regulatory requirements and guidelines. Meanwhile, the Internal Audit Department independently assesses the adequacy and efficiency of the internal control environment, by ensuring all applicable policies and procedures are implemented and practiced appropriately.

Senior Executive Management and the Audit Committee are regularly updated on the status of the internal control environment, as well as actions identified to improve its adequacy and effectiveness. They ensure timely implementation of the measures taken to mitigate all identified risks.

Final Note

The Board of Directors of Riyad Bank would like to express our sincere gratitude and appreciation to the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz, and to His Royal Highness Prince Muhammad bin Salman bin Abdulaziz, Crown Prince and Prime Minister, for their invaluable support to the banking sector. We would also like to extend our thanks to the Ministry of Finance, SAMA, the Capital Market Authority, and the Ministry of Commerce for their continuous assistance and encouragement, which have helped us achieve constant progress.

The Board is also pleased to express its deep thanks and gratitude to Riyad Bank's shareholders, customers and all stakeholders for their support and valuable trust. The Board also extends its thanks, gratitude and appreciation to the employees of Riyad Bank for their tireless and sincere efforts to develop and improve performance and achieve the objectives of Riyad Bank.